

FINANCE COMMITTEE CONSTITUTION

Commencement Date: 13 February 2019

1 Establishment

- 1.1 The Finance Committee of the Council was established by the Council's 4/04 meeting on 23 June 2004.
- 1.2 The role of the Finance Committee is to assist the Council in the performance of its responsibilities in the areas of financial, investment and asset management within the context of the University's Strategic Plan.

2 Functions of the Committee

- 2.1 The Committee shall advise the Council on the management and organisation of the University's financial affairs; the development and management of the University's assets and physical locations; the commercialisation of intellectual property; and strategies for wealth generation to underpin the financial sustainability of the University.
- 2.2 Without limiting the generality of the foregoing, the Finance Committee will undertake the responsibilities described below.

Strategic and Planning Advice

- 2.2.1 receive and review recommendations from the Vice-Chancellor on the annual budget, ensure its alignment with the University's Strategic Plan and supporting plans, and recommend its adoption to the Council;
- 2.2.2 review and recommend to the Council the Business Plans for capital expenditure and its resourcing;
- 2.2.3 receive reports and make recommendations to Council on financial aspects of significant contracts outside the course of normal operations into which the University has entered or proposes to enter (in the context of Matters Reserved for Council);
- 2.2.4 receive reports and make recommendations to Council on financial aspects of significant commercial activities into which the University has entered or proposes to enter (in the context of Matters Reserved for Council);
- 2.2.5 advise the Council on appropriate approaches to enterprise-wide efficiencies to achieve better returns on expenditure; and
- 2.2.6 oversee the annual and long term financial planning processes (including a multi-year capital plan) which align with the University's Strategic Plan, in order to achieve the objectives within that Plan.

Financial Sustainability and Funding Strategy

- 2.2.7 advise the Council on the University's Investment and Treasury Management Policy;
- 2.2.8 approve the University's Investment and Treasury Management Procedures;
- 2.2.9 advise the Council on the University's Investment strategies and plans and oversee their implementation;
- 2.2.10 select an appropriate Investment strategy that is in compliance with all applicable legislative and University Policy requirements, including:
- Curtin University Act 1966
 - The Trustees Act 1962 (WA)
 - Investments Policy and Procedures
 - Other relevant University Policies and Procedures;
- 2.2.11 review and advise the Council on the appropriateness of the University's debt funding strategy;
- 2.2.12 review the University's commercialisation of intellectual property; and
- 2.2.13 monitor the University's activities with respect to the commercialisation of its intellectual property.

Capital Expenditure

- 2.2.14 recommend to the Council for its consideration capital expenditure for amounts in excess of \$20.0 million (excluding GST) for any single asset or project;
- 2.2.15 exercise its authority to approve capital expenditure for amounts over \$5.0 million (excluding GST) and up to and including \$20.0 million (excluding GST) for any single asset or project on the recommendation of the Vice-Chancellor; and
- 2.2.16 advise the Council of expenditure approved under 2.2.15.

'Business as Usual' Contract Expenditure

- 2.2.17 recommend to the Council for its consideration 'business as usual' contract expenditure for amounts in excess of \$20.0 million (excluding GST);
- 2.2.18 exercise its authority to approve 'business as usual' contract expenditure for amounts over \$10 million (excluding GST) and up to and including \$20.0 million (excluding GST) on the recommendation of the Vice-Chancellor; and
- 2.2.19 advise the Council of 'business as usual' contracts approved by the Finance Committee with an expenditure commitment between \$10 million and \$20 million under 2.2.18.

- 2.2.20 review and note 'business as usual' contracts approved by the Vice-Chancellor with an expenditure commitment between \$1 million and \$10 million.
- 2.2.21 amounts referred to under 2.2.17 to 2.2.20 refer to implicit and/or explicit commitments over the full period of the contract (including extensions at management's discretion).

Revenue Contracts

- 2.2.22 recommend to the Council for its consideration revenue contracts for amounts in excess of \$20.0 million (excluding GST);
- 2.2.23 exercise its authority to approve revenue for amounts over \$5.0 million (excluding GST) and up to and including \$20.0 million (excluding GST) on the recommendation of the Vice-Chancellor; and
- 2.2.24 advise the Council of revenue contracts approved under 2.2.21.

Financial Risk Management

- 2.2.25 advise the Council on any matters which have or potentially have, a significant¹ financial impact upon the University; and
- 2.2.26 develop and recommend to the Council appropriate financial risk policies (for example to address currency, foreign exchange and interest rate issues).

Review and Reporting

- 2.2.27 receive and review quarterly financial statements and advise the Council on those reviews; and
- 2.2.28 review and monitor the University's performance against financial benchmarks set by the Council, having regard for external benchmarking data, as appropriate.

Other Responsibilities

- 2.2.29 undertake such other delegations as the Council may assign.
- 2.3 For the purposes of this section, "significant" is defined as committing (or likely to commit) the University to expenditure in aggregate, for capital and operational over the term of the contract, in excess of \$20.0 million (excluding GST).

3 Investment Responsibilities

Without limiting the generality of the provisions of section 2.2.8, the Finance Committee shall:

- 3.1 approve the appointment of an independent Investment Advisor to provide the Committee with advice to enable the performance of the responsibilities described below;
- 3.2 approve specific investment strategies consistent with the Council-approved investment policy and procedures;

- 3.3 oversee mandates for Fund Managers and review these from time to time to ensure that these remain appropriate to the University's needs;
- 3.4 approve the appointment of Fund Managers; and
- 3.5 receive and consider regular reports on investment performance, measured against agreed objectives and benchmarks.

4 Membership

- 4.1 The membership of the Finance Committee shall comprise:
 - 4.1.1 the Chairperson, appointed by the Council from amongst the Members of the Council who are neither students nor staff
 - 4.1.2 the Vice-Chancellor, *ex officio*
 - 4.1.3 not less than two and up to four other members of the Council, with particular expertise in the Committee's responsibilities, appointed by the Council
 - 4.1.4 up to two Members, either from within or external to the University, with particular expertise in the Committee's responsibilities, appointed by the Council.
- 4.2 The Council will appoint one of the two Members appointed under section 4.1.3 as Deputy Chairperson for the Member's term of office on the Council. The Deputy Chairperson will chair meetings of the Committee in the absence of the Chair.
- 4.3 The Chair of the Audit and Compliance Committee is ineligible to be a Member of the Finance Committee.

5 Term of Office of Appointed Members

- 5.1 Members of the Committee other than *ex officio* Members shall serve for terms of up to two years, concluding on 31 March of the relevant anniversary year, or in the case of Council Members, until the conclusion of their terms on the Council, whichever first occurs.
- 5.2 Appointed Members may, if eligible, be re-appointed to serve for further terms.

6 Quorum

- 6.1 The quorum for a meeting of the Committee shall be not less than one half of the total number of Non-Executive Members excluding:
 - (a) any vacancy in the membership of the Committee; and
 - (b) any Member who has an approved leave of absence and in respect of whom a deputy has not been appointed.

7 Officers in Attendance

- 7.1 The Chief Operating Officer and the Chief Financial Officer shall attend all meetings of the Committee with rights of audience and debate.
- 7.2 The Committee may invite any other officer of the University to attend for specific items of a meeting or to attend specified meetings, to assist the Committee in its deliberations.

8 Establishment of Working Parties or Sub-Groups

- 8.1 The Committee may, as it deems appropriate or desirable, establish working parties to undertake particular tasks in relation to a nominated function. The composition of a working party may include persons other than members of the Finance Committee.
- 8.2 No working party will have authority to make decisions on behalf of the Finance Committee. The Finance Committee is responsible for receiving reports from any such group, and either determining on recommendations or referring them to the Council for determination.

9 Meeting Schedule

- 9.1 The Committee shall meet at least six times a year.

10 Reporting

- 10.1 The Committee will report to the Council by way of its minutes.

11 Servicing of the Committee

- 11.1 The secretary of the Committee is the Council Secretary or such other person appointed by the Council Secretary.

REVISION HISTORY

| Revision Ref. No. | Approved/ Rescinded | Date | Committee/ Board | Resolution Number | Document Reference |
|--------------------------|--------------------------------|-----------------|-----------------------------|------------------------------|--------------------------------|
| (First Established) | Approved | 23 June 2004 | Council | C 61/04 | C 71/04 |
| | Amended | 21 October 2009 | Council | C 134/09 | Attachment 3 to 01478/09 |
| | Amended | 9 December 2009 | Council | C 157/09 | Attachment 1 to 01736/09 |
| | Amended | 7 August 2013 | Council | C 183/13 | Attachment 1 to 00847/13 |
| | Amended | 18 March 2015 | Council | C 37/15 | Attachment B to Item 8.1.2. |
| | Amended | 22 June 2016 | Council | C 91/16 | Attachment A to Item 8.3.2 |
| | Amended | 3 August 2016 | Council | C 113/16 | Attachment A to Item 7.10 |

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| | Approved | 14 February 2018 | Council | C 19/18 | Attachment A to Item 8.2.4 |
| | Approved | 13 February 2019 | Council | C 20/19 | Attachment A to Item 8.4.2 |