

Standing Resolutions of Council

3.1 Finance Committee

Finance Committee exercises governance responsibilities with respect to the University's financial and business affairs, including monitoring the financial risk and performance of University subsidiaries and commercial ventures and, within delegated authority, acts on behalf of Council on those matters.

I. Membership

Chairperson - an external member of Council, appointed by Council

The Chairperson of Audit and Risk Committee

The Chairperson of Investment Management Committee

Up to two other members of Council, at least one of whom is an external member of Council with financial expertise

The Vice-Chancellor

The President of the Academic Board

One member with financial expertise nominated by the Chairperson, in consultation with the President of Convocation

One member nominated by the Chairperson, in consultation with the President of UMSU Inc. ("UMSU")

One member nominated by the Chairperson, in consultation with the President of the University of Melbourne Graduate Student Association ("GSA")

Up to three other persons appointed by the Chairperson, taking into account the need for additional expertise.

II. Terms of Reference

The functions of the Finance Committee are –

1. To review and make recommendations to Council on policies, including financial delegations, with respect to the control and management of financial resources, the ownership, management and divestment of assets, including properties, investments, borrowings and management of funds.
2. To exercise governance accountabilities in relation to oversight of the identification and management of financial risk, including commercial risk exposures arising from the operations of controlled entities, associated companies*, auxiliary operations and significant business ventures.
3. To advise the Vice-Chancellor annually of the amount of resources available for preparation of the operating and capital expenditure budget and to review and recommend to Council the University's annual (recurrent and capital expenditure) budget and forward estimates for adoption.
4. To monitor the University's financial performance against budget and the performance against plan of the annual infrastructure program.
5. To oversee the preparation of the annual Financial Statements of the University and recommend to Council their adoption.
6. In relation to Commercial Activities:
 - To provide advice to Council on policies and procedures for the establishment, management and operation of auxiliary operations, subsidiary entities and other commercial activities of the University;
 - To make recommendations on the creation of new entities or participation in significant commercial activities;
 - To monitor the financial performance of these bodies and activities including quarterly and annual reports, business plans, financial statements and auditors' reports; and
 - To report annually to Council on any significant issues relating to the performance of subsidiaries, joint ventures or the commercial undertakings.

7. To provide advice to Council on the investment objectives of the University and to monitor the Investment Management Committee in securing performance of these objectives.
8. To oversee management of the University's asset portfolio and exercise governance oversight of major infrastructure projects (ie. Projects in excess of \$20million), providing advice on how the planning and implementation of major new initiatives might be enhanced for the long term benefit of the University.

III. Sub-Committees and Working Groups

- Where circumstances require, the Finance Committee may authorise a sub-group of its membership to act on its behalf to give effect to urgent matters. The sub-group must include the chairperson, the Vice-Chancellor (or nominee) and at least two other external members of Council who are members of the Committee.
- The Committee may establish such ad hoc working groups as may be required from time to time to facilitate the conduct of its business.
- The Investment Management Committee and the Asset Management Committee are standing sub-committees.

IV. Delegations

Finance Committee holds delegated authority to:

1. Authorise the writing off of bad or doubtful debts.
2. Approve on the advice of the Investment Management Committee the asset allocation and related principles for the University's investment portfolio.
3. Approve on the advice of the Investment Management Committee the appointment of funds managers and custodial administration in relation to the stewardship of the University's investment portfolio.
4. Approve recommendations from the Vice-Chancellor for settlement of any claims on infrastructure contracts.
5. Authorise levels of charges for University services, agreements with and budgets of outside or self-governing institutions, and the use of accounting (including purchasing) systems generally.
6. Approve placement of the University's insurances.
7. Approve in advance, significant acquisitions, divestments and investments, company creations and contractual arrangements proposed by subsidiary companies, providing that any such approvals are to be reported to Council.
8. Approve asset acquisitions, disposals and property leasing matters within principles and policy approved by Council,.