

**VICTORIA UNIVERSITY**  
**Council**  
**Finance and Investment Committee**  
**TERMS OF REFERENCE**

**Composition**

- a) One of five external members of Council, one of whom shall be the Chair;
- b) Up to two independently external members to the University with specialist skills in accounting and finance; and
- c) Vice-Chancellor.

**2020 Terms of Reference**

1. Annual Financial Planning

- 1.1. *Review* appropriateness of University financial targets and liquidity capacity within the Annual Plan and Budget and consistency with the University's Strategic Plan and *recommend* to Council any proposed changes for Council consideration.
- 1.2. *Recommend to Council* on the University's proposed capital and strategic works, based on financial considerations and liquidity capacity, including an assessment of the University's capacity to fund the planned annual asset maintenance program. Consideration is also to be given to the immediate and medium-term Capital and Maintenance expenditure commitments required by the University.
- 1.3. *Review and endorse to Council* the financial commitments within the Annual Plan and Budget and any proposed variations throughout the year as necessary.

2. Five Year Financial Strategy

- 2.1. *Recommend to Council* the University Strategic Plan financial framework, Operating Margin Re-investment targets (%) to support appropriate financial returns and levels of Capital, Maintenance and Strategic expenditure over the planning period, whilst exceeding minimum liquidity levels.

3. Financial Performance

- 3.1. *Review* quarterly financial statements, including P&L Statement, Balance Sheet, Cash Flow Statement, KPI's, Productivity measures and related forecasts of the University.
- 3.2. *Review and advise Council* on general financial position of the University, performance against Budget and Forecasts.
- 3.3. *Review and advise Council* on updated financial forecasts in light of the current performance and actions planned to address shortfalls.

4. Strategic and Capital Expenditure

- 4.1. *Review and make recommendations to Council* on individual capital expenditure business cases relating to the development and use of property, capital, assets, IT development and maintenance projects >\$1m, with principal reference to financial considerations.
- 4.2. *Recommend to Council* any change to Capital, Maintenance and Strategic expenditure allocations against original Budget.
- 4.3. *Review and recommend to Council* proposed ex-Budget Capital, Maintenance and Strategic expenditure >\$1m
- 4.4. *Monitor* the execution of Capital, Maintenance and Strategic expenditure plans against Budget.

5. Liquidity & Investments

- 5.1. *Recommend to Council* on any matter related to borrowings and appropriate level of minimum cash requirement.
- 5.2. *Review* the investment of all monies (including Trust monies) in accordance with investment mandate and recommend changes in investment policy as required.

## 6. Corporate Structures

- 6.1. *Review and advise Council* on the finances of all subsidiary companies, trusts and foundations, including considering draft business plans, performance (at least half-yearly) in context with the Annual Business Plan.
- 6.2. *Review and advise Council* on proposals for formations / dissolution of JV's, companies, partnerships and other commercial entities and if in the University's best interests.

## 7. Finance Resources

- 7.1. *Advise the Vice-Chancellor* on the adequacy and capability of the Finance function to perform its responsibilities, including the meeting of sector standards.

## 8. Philanthropic Funds Reporting

- 8.1. *Consider and endorse* financial performance reports to Council on the overall management and administration of the VU Philanthropic Fund.
- 8.2. *Receive reporting* on the investment strategy and performance of philanthropic funds.
- 8.3. *Receive reporting* on disbursements made from the VU Philanthropic Fund to beneficiary areas across the University.

### **Expected Competencies:**

(a) all members:

- knowledge of the University Strategic Plan and associated University funding issues; and
- financial literacy (including the ability to read and understand basic financial statements including a balance sheet, a profit and loss statement and a cash flow statement).

(b) among the members of the Finance and Investment Committee there should be:

- members having financial experience (as demonstrated by relevant qualifications and financial management expertise at a senior level in the public or private sector);
- members with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector); and
- skills, knowledge and experience in areas relevant to the effective utilisation of the University's resources.

### **Number of meetings per year**

Approximately 5 full meetings per year and 5 teleconferences per year.

**Secretary:** Ms Christine Holmes