

# Terms of reference of the Finance and Planning Committee

**GPHC0035 Version 1**

**This policy sets out the remit and function of the Finance and Planning Committee.**



## Policy details

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## Version control tracker

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## 1. Role and purpose

- 1.1 The Council has established the Finance and Planning Committee to provide the Council with assurance on the continuing efficiency and effectiveness of the organisation, and to support the Council by overseeing and monitoring the implementation of the GPhC's investment strategy and policy.
- 1.2 The Committee is a non-executive committee and has no executive powers except as set out in these terms of reference.
- 1.3 The Council is ultimately responsible for determining and reviewing the overall investment policy, objectives, risk appetite and target returns. However, the investment portfolio represents an important asset for the GPhC and the committee fulfils an important role in the long-term stewardship of those assets. Administration of the GPhC's financial and other resources is delegated to the Chief Executive and Registrar.
- 1.4 Under the Council's scheme of delegation, the committee has delegated authority to:
  - oversee the organisation's business and financial planning, to ensure that it aligns with the overall strategy set by the Council
  - review the organisation's ongoing work to improve the efficiency and effectiveness of the GPhC, including any metrics, evaluation and benchmarking
  - oversee and monitor the investment strategy and policy, including the GPhC's ethical policy, to ensure it remains appropriate, and to recommend any changes to Council
  - make recommendations to Council regarding the appointment or termination of investment managers, where appropriate
  - monitor and evaluate the performance cost and cost-effectiveness of services provided by investment managers appointed by the Council
  - oversee the GPhC's internal business improvement investment activities, including reviewing the organisation's business and financial planning, and work to improve its efficiency and effectiveness
  - ensure that all policies and work within the committee's remit take account of and promote the GPhC's culture and values, and commitment to equality, diversity and inclusion
  - report annually to the Council on the activities of the Finance and Planning Committee
- 1.1 The committee may request the attendance of any employee or member, as set out in section 5 of these terms of reference, and may incur expenditure for the purpose of obtaining advice, where required.

## 2. Duties and activities

- 2.1 The group's primary activities in relation to investment are set out in more detail at **Annex A**.

### **3. Accountability and reporting**

- 3.1 The committee is accountable to the Council. The minutes of each committee meeting shall be circulated to Council in confidential business. The committee shall report to the Council annually on its work.

### **4. Membership**

- 4.1 The committee shall have five members, but may operate with fewer while a vacancy exists, provided the quorum is maintained. Committee members may include the chair of Council, Council members, and include at least one lay member and one registrant member. The group may also include one external member with appropriate skills and investment experience.
- 4.2 The Council will appoint one of the Council members serving on the group as chair, based on relevant background and skills. In the absence of the chair, the committee shall elect another of its members to chair the meeting.
- 4.3 The committee, including its chair, is appointed through arrangements agreed by the Council. This will be carried out in line with the Appointment of members of the non-statutory committees (Audit & Risk, Remuneration Committees and the Finance and Planning Committee policy (reference 0021)).

### **5. Quorum**

- 5.1 The committee shall be quorate with two members of Council.

### **6. Attendance**

- 6.1 Only members shall be entitled to attend committee meetings. The chief executive and registrar, and the Associate Director of Finance and Procurement will attend the meetings along with other key members of staff, as necessary.
- 6.2 Other Council members may attend meetings at the invitation of, or with the agreement of, the chair of the committee.
- 6.3 The committee may request any employee or member to attend a meeting to assist with its discussions on any particular matter or to provide any information it may reasonably require in order to fulfil its remit. All employees and members are directed to co-operate with any reasonable request made by the committee.
- 6.4 The committee may ask any or all non-members to withdraw for all or part of a meeting if it so decides. In such an instance, the chair shall ensure that a proper record is made of the meeting.
- 6.5 Investment managers who are appointed to manage investment funds on behalf of the GPhC will be expected to attend committee meetings, as required.

### **7. Secretariat**

- 7.1 The chief executive and registrar shall ensure that appropriate secretariat support is provided to the chair and to the committee.

## **8. Frequency of meetings**

- 8.1 The committee shall meet not less than four times a year. Additional meetings may be scheduled if necessary.

## **9. Dealing with concerns**

- 9.1 Processes have been agreed by Council for raising concerns (Raising concerns policy ref: 0022)
- 9.2 Within these processes, the chair of the committee is identified as a point of contact for individuals who still have concerns having followed the policy or where they feel matter is so serious that is cannot be discussed by senior management.
- 9.3 Further information on how matters are handled is detailed within the Raising Concerns policy. The chair of the committee will receive appropriate training in this area.

## Key investment activities

In relation to the GPhC's investment portfolio, the committee is responsible for:

- a. Ensuring the management of assets is consistent with the investment strategy and policy set by Council.
- b. Monitoring the investment strategy and policy, including the ethical policy, to ensure it remains appropriate, and to recommend changes to Council where necessary. This includes scrutinising the implementation of any changes approved by the Council.
- c. Agreeing the terms of appointment of the investment managers. This includes the level of portfolio management discretion and fee scales.
- d. Setting and reviewing with the investment managers appropriate investment mandates, ensuring consistency with the investment strategy and policy. This includes setting performance benchmarks for investment managers and monitoring performance over relevant time periods.
- e. Monitoring the organisation's response to legislative, financial and economic changes affecting, or potentially affecting, investment policy. The committee may engage external professional advisers to undertake a periodic review of the investment arrangements, as required.
- f. Reviewing the investment policy so that it remains consistent with, and supportive to, Council's overall business plan, budget and reserves policy. This includes periodically reviewing the fees paid and appraising value for money.
- g. Reviewing the Investment Risk Register, taking into account the Council's agreed risk appetite.
- h. Reporting annually to the Council on investment performance.

