



ROYAL COLLEGE OF  
PHYSICIANS AND  
SURGEONS OF GLASGOW

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**ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW**

**CONSTITUTION AND TERMS OF REFERENCE**

**OF THE**

**FINANCE AND INVESTMENT COMMITTEE**

**(February 12<sup>th</sup> 2021)**



## **1. CONSTITUTION**

The Council of the Royal College of Physicians and Surgeons of Glasgow (“College”) through the Dec 4<sup>th</sup> 2020 AGM approved a number of changes in College governance to reflect best practice in the modern day leadership of a charity. From Dec 4<sup>th</sup> 2020, the College Executive Board become the appointed Trustees of the College and as part of these changes, the Council resolved to adopt a constitutional change to regulate the function and define the responsibilities of the Finance and Investment (“Committee”) of the College.

The Committee will have executive authority within the College scheme of delegated authority reviewed and approved from time to time by the College Executive Board (as Trustees of the College).

## **2. PURPOSE**

The Committee’s purpose is to support the College Executive Board and the Chief Executive Officer by reviewing and making recommendations to the College Executive Board on the financial plans and financial performance of the College, staff remuneration policy, and investment policy and strategy, and implementing the College’s investment strategy with the assistance of the College’s Investment Advisors.

## **3. MEMBERSHIP**

- 3.1. The members of the Committee shall be appointed by the College Executive Board.
- 3.2. The Chair of the Committee will be an appointed non-clinical Trustee of the College with recent and relevant financial experience and preferably investment experience.
- 3.3. The Chair of the Committee will also be appointed as a member of the College’s Executive Board and Council for the duration of their term of appointment.
- 3.4. There shall be a minimum of eight members of the Committee which shall comprise the Chair, the President, the Treasurer, at least two other Trustees from the College Executive Board, at least one member of the College Council (non Trustee), the Chief Executive (non Trustee) and the Finance Director (non Trustee)
- 3.5. Three members must be present to form a quorum who must include the Chair (Trustee) and at least two other Trustees.
- 3.6. To ensure the Committee has at all times sufficient relevant expertise, the committee shall have the authority to co-opt individuals with relevant financial and investment experience as required.
- 3.7. The Chair of the Audit and Risk Committee may be invited to attend the meeting of the Committee for financial risk matters and where the College’s external audit is also being considered.

## **4. DURATION OF APPOINTMENTS**

- 4.1. The Committee Chair shall serve for a maximum of two, three year terms.
- 4.2. All other Trustee members of the Committee shall serve up to the end of their term as Trustees.
- 4.3. The Chief Executive and the Finance Director will serve for the duration of their employment with the College.
- 4.4. Co-opted, non-trustee members shall serve for a maximum of two, three year terms.



## **5. MEETINGS**

- 5.1. Meetings of the Committee shall be held on at least 4 occasions during each financial year (on a quarterly basis in line with the College financial reporting calendar) and more frequently as required.
- 5.2. Meetings shall be convened by the Chairman of the Committee or pursuant to a resolution of the College Executive Board.
- 5.3. Meetings shall be held at such time and in such place as may be specified in the notice convening the meeting.
- 5.4. A member may participate in a meeting of the Committee by way of conference telephone and/or video.
- 5.5. Notices of all meetings of the Committee together with an agenda of the matters to be discussed and any relevant papers shall be served on all Committee members.
- 5.6. The Chief Executive Officer, Finance Director and the Treasurer of the College shall be required to attend all meetings of the Committee unless requested not to.
- 5.7. Other Trustees, who are not designated members of the Committee, may be requested to attend in order that the Committee may fulfil its role.
- 5.8. All minutes of the Committee shall be sent to the College Executive Board and Council for information and consideration.

## **6. TERMS OF REFERENCE**

The main role and responsibilities of the Committee shall be to:

- 6.1. Review and make recommendations to the College Executive Board regarding the College budget and the long-term financial stability, strategy and objectives for the College.
- 6.2. Monitor the College's financial and operational performance against budget, KPIs and other relevant benchmarks. Report and make recommendations to the College Executive Board as appropriate.
- 6.3. Oversee the development and implementation of policies across the College relating to salary, reward, remuneration, appraisal and performance management of all College staff. (*The performance, appraisal and remuneration of the College Chief Executive Officer shall be undertaken by the College President and College Executive Board*).
- 6.4. Develop and implement the Investment Policy and the Investment Strategy for the College's Invested Capital Funds to ensure they meet the long-term charitable aims and objectives of the College.
- 6.5. Appoint and review the performance of the College Investment Fund advisors;
- 6.6. Review the College Endowment Fund portfolio and ensure all bequeathed and donated Endowment Funds meet the covenants and articles of each Fund, and address any emerging risks and instigate any mitigating actions as appropriate;
- 6.7. Consider such other matters as the College Executive Board may direct.

## **7. REPORTING**



The Committee is accountable to the College Executive Board. The Chairman of the Committee will report to the College Executive Board on the proceedings of the Committee and on any recommendations the Committee wishes to make to the College Executive Board.

## **8. AUTHORITY AND RESOURCES**

- 8.1. The Committee is duly authorised by the College Executive Board to investigate any activity within its terms of reference. In this respect it is authorised to require any employee to attend meetings of the Committee and to collect any information which it may require from any employee of the College.
- 8.2. The Committee may seek external professional advice at the expense of the College if the Committee considers this to be necessary.
- 8.3. The Committee is duly authorised to instruct the purchase and sale of assets comprising part of the College's Invested Capital Funds, subject to such instructions being consistent with the College Executive Board approved Investment Policy and Strategy and the College Executive Board approved Scheme of Delegated Authority, and after seeking advice from the College's Investment Fund Advisors.
- 8.4. The College Executive Board shall ensure that the Committee has sufficient resources available to it enable the Committee properly to perform its functions.

## **9. AMENDMENT**

This Constitution may only be amended pursuant to a resolution of the College Executive Board.