

Appendix 2 to the Resolution

Terms of Reference: **Finance and Performance Committee**

Key purpose

F1. To provide assurance to the Council by carrying out the following functions on its behalf:

1. Challenging and monitoring the Executive on financial and other performance.
2. Working with the Executive to develop an appropriate and proportionate data set to enable the Council to carry out its functions.
3. Providing scrutiny and challenge to the Executive on major operational matters with a material financial impact for the organisation.
4. Working with the Executive in developing the GDC's financial strategy. This will include scrutinising the development and delivery of the three-year rolling Costed Corporate Plan, scrutiny of the annual budget setting process and of the organisation's delivery against budget, and providing to the Council the assurance it needs to approve the budget and Costed Corporate Plan.

Composition and Quorum

F2. The Committee shall consist of a Chair and at least two members of the Council (of whom at least one must be a registrant member of the Council and at least one must be a lay member of the Council). If the Committee so decides, and with the approval of Council, an external member may be appointed in line with the requirements of the GDC Standing Orders.¹

F3. The quorum of the Committee shall be two Council members.²

Delegated Powers

- F4. Approval of assumptions and objectives to be used in the planning cycle.
- F5. Approval of the budgeting approach and annual targets for efficiency in accordance with the Council's strategy.
- F6. Approval of the GDC's banking procedures and arrangements.

Functions and Duties

Financial Strategy

To scrutinise and report on the levels of assurance or concerns in the following key areas:

- F7. The development of the three-year Costed Corporate Plan and annual budget to ensure that they are robust and aligned to delivery of the Corporate Strategy.

¹ GDC Standing Orders and Resolution regarding the Non-Statutory Committees of the Council 2018, r1.2.

² GDC Standing Orders and Resolution regarding the Non-Statutory Committees of the Council 2018, r.5.1

- F8. The impact of the three-year Costed Corporate Plan and annual budget on the setting of the Annual Retention Fees, registration application fees, fees for the Overseas Registration Exam and the reserves policy.
- F9. The financial reporting data used to ensure that the organisation is delivering against budget. This scrutiny should include:
- the challenge of the Executive in relation to the organisation's financial performance.
 - any amendments to the current year budget
 - any virements (transfers of budget allocation) between directorates that exceed agreed limits
 - any calls on reserves
 - any necessary borrowing or
 - other material financial matters about which the Council ought to be made aware.
- F10. The coherence and rigour of the financial modelling underlying the fees strategy of the organisation, with a view to enabling the Council to approve any changes to the Annual Retention Fees, any other relevant fees and the reserves policy of the organisation.
- F11. The adherence to and robustness of the treasury, investment and financial procedures policies of the organisation.
- F12. The adequacy of the insurance arrangements of the Council.
- F13. The actuarial assumptions, financial viability, performance, and other relevant implications of the GDC Pension Schemes. The Committee will communicate:
- Advice received, to facilitate decision making in this area, to the Council and
 - Any material risk that arises in this area to the Audit and Risk Committee.

Organisational Performance

To scrutinise and report on the levels of assurance or concerns in the following key areas:

- F14. The operational delivery against the Costed Corporate Plan and the reliability and appropriateness of a suite of performance indicators around organisational performance.
- F15. The annual and exception reports on procurement activities.