

Finance & Operational Performance Committee – Terms of Reference

Purpose

The purpose of the Finance & Operational Performance Committee is to ensure that efficient and effective budget and financial management, operational performance and performance planning and reporting arrangements are in place for Skills Development Scotland (SDS); that Scottish Government targets are fully met in line with annual requirements set out in the Letter of Guidance and that SDS strategic goals and operational objectives are achieved and progress is made towards delivering SDS outcomes. The Committee will also provide assurances around finance and operational performance to the wider Board.

Responsibilities

On behalf of the SDS Board, the Finance & Operational Performance Committee will:

- Consider the SDS annual Operating Plan, taking due account of operational requirements, targets and policy delivery 'asks' in the annual Scottish Government letter of guidance. The Committee will normally review the draft annual Operating Plan on behalf of the Board before the commencement of the financial year to which it applies;
- Consider and advise the Board as appropriate on progress in delivering against Scottish Government targets;
- Monitor and review operational performance with reference to SDS's strategic goals, operational objectives and SDS outcomes;
- Keep under review the SDS Performance Management Framework and consider from time to time any changes required to financial or performance reporting arrangements, taking due account of any external requirements and of considerations of customer focus, quality and continuous improvement;
- Review and agree the commissioning strategy, contract awards and budget approval for any in year and new or additional initiatives from Scottish Government;
- Monitor SDS's budget and financial position. The Committee will complete a detailed review of the draft annual budget on behalf of the Board before the commencement of the financial year to which it applies and will then consider progress on a quarterly basis through the year. Any significant items of expenditure outside of the Budget will be reviewed and approved by the Committee (in line with agreed levels of Delegated Authority);
- Monitor the effectiveness and impact of the ICT shared service led by SDS;
- Maintain oversight of financial and operational performance arrangements in respect of initiatives and activities funded through European Union (EU) Structural Funds;

- Be kept updated on information request handling activity and performance;
- Consider and report to the Board any matter referred to the Finance & Operational Performance Committee by the Board or by other Committees of SDS;
- Ensure oversight of Equality and Diversity matters with regular updates to be provided on outcomes of the strategy.

Membership/Composition

The Finance & Operational Performance Committee will comprise up to a minimum of four SDS Board members (including co-opted members).

The following individuals will attend scheduled meetings:

Senior Director of Service Development and Delivery
Senior Director of Enabling Services
Director of Finance, Information Governance, Resilience and Risk
Financial Planning and Analysis Manager

Other individuals may attend meetings by invitation.

The Finance & Operational Performance Committee will be provided with a secretariat function by the Board and Committee Team.

Quorum

The quorum for meetings shall be two or more Board members (including co-opted members) being present at meetings.

Meetings

There will be a minimum of four separate meetings during each financial year. Meetings will normally be held in the SDS Offices, Monteith House, George Square, Glasgow or, when appropriate, at another location or via online conference call.

The SDS Board or the Executive may ask the Finance & Operational Performance Committee to convene further special meetings to discuss particular issues on which they require the Committee's advice.

Each meeting will be minuted. Minutes will be produced and submitted to the following SDS Board meeting.

Reporting

The Finance & Operational Performance Committee reports its activities and findings to the SDS Board. Minutes and an update from the Chair of the Finance & Operational Performance Committee will be provided at the following SDS Board meeting after each Committee meeting.

The Finance & Operational Performance Committee will also, in conjunction with the Service Development Committee, agree handover of performance monitoring responsibility to the Finance & Operational Performance Committee following 'go live' of developmental activities.

Review

The forward plan for each financial year details items to be considered over the full annual cycle. This forward plan will be kept under regular review by the Finance & Operational Performance Committee, and amended as necessary, taking account of business also being considered

through other Committees. Where matters arise in the work of the Finance & Operational Performance Committee that are felt appropriate for raising with the SDS Board or that merit further Committee review, these will be included within the forward plan.

The Finance & Operational Performance Committee will on an annual basis prepare an Annual Report - (i) business review summarising the activities during the period; (ii) self-assessment of the Board's own performance/effectiveness and (iii) review of the Committee's Terms of Reference to ensure and affirm they are fit for purpose.

**Skills Development Scotland
June 2023**

Next Review Date November 2024