

FINANCE COMMITTEE TERMS OF REFERENCE

Name of Committee & Workplan Ref.	FINANCE COMMITTEE
Constitution	The Board of Directors hereby resolves to establish a Committee of the Board of Directors to be known as the Finance Committee.
Membership	<p>Four Non-Executive Directors one of whom shall be nominated as Chair and one as Vice Chair. The Chair of the Committee will be appointed by the Board of Directors.</p> <ul style="list-style-type: none"> • Chief Executive. • Chief Financial Officer. • Chief Operating Officer. • Director of Culture & Improvement. • Associate Director of Estates & Facilities. <p>Where a member is unable to attend a meeting a nominated deputy should be provided.</p>
Attendance at Meetings	<p>The following will be in attendance at meetings:-</p> <ul style="list-style-type: none"> • Deputy Chief Financial Officer. • Associate Director of Transformation. • Deputy Director of Income and Performance. <p>Other Board members shall attend if invited by the Committee.</p>
Role FCWP 10	The Finance Committee shall conduct independent and objective reviews of financial and investment policy and performance issues.
Duties FCWP 10 FCWP 11 FCWP 14 FCWP 11 FCWP 10 FCWP 11 FCWP 6 (in addition to 10 & 11)	<p><u>Governance, Risk Management and Internal Control</u></p> <p>The Committee shall review the establishment and maintenance of an effective system of financial governance and financial risk management across the Trust to support the achievement of the Trust's financial objectives.</p> <p>The Committee will review management's and (where required by the Audit and Assurance Committee) Internal Auditor's reports on the effectiveness of systems for internal financial control, financial reporting and financial risk management.</p> <p>In particular, the Committee will review the adequacy of :</p> <ul style="list-style-type: none"> • Financial risk and control, and any appropriate independent assurances as necessary. • The underlying assurance process that indicates the degree of the achievement of financial objectives, the effectiveness of the management of principal financial risks and the appropriateness of the financial control environment. • Tracking progress with reconfigurations to deliver the financial objectives of the Financial Improvement Programme whilst safeguarding quality improvement.

Name of Committee & Workplan Ref.	FINANCE COMMITTEE
FCWP 3	<ul style="list-style-type: none"> In carrying out this work the Committee will seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of financial governance and financial risk management together with indicators of their effectiveness. <p><u>Other Assurance Functions</u></p> <p>The Committee shall ensure the findings of any financial reviews by Arm’s Length Bodies or Regulators/Inspectors are progressed to deliver the relevant improvements.</p> <p>The Committee will play a key co-ordinating role in ensuring that the Board Assurance Framework accurately reflects:</p>
FCWP 9	<ul style="list-style-type: none"> The financial risks faced by the Trust; The key controls in place to manage these risks; The sources of assurance to the Board that these controls are effective; Any gaps in controls or assurances that exist. Any risks arising from a breakdown in one or more strategic partnerships <p>The Committee will also play a key role in managing the delivery of any actions that arise from the financial elements of the Board Assurance Framework – specifically including actions to improve controls or provide further assurances.</p>
FCWP 9 FCWP 11	<p>The Committee shall make recommendations to the Audit and Assurance Committee concerning the annual programme of Internal Audit work, to the extent that it applies to matters within these terms of reference.</p>
FCWP 9	<p><u>Management</u></p> <p>The Committee shall request and review reports and assurances from Directors and managers on the overall arrangements for financial governance, financial risk management and internal control.</p>
FCWP 11	<p>They may also request specific reports from individual functions within the organisation as they may be appropriate to the overall arrangements.</p> <p><u>Financial Reporting</u></p>
FCWP 10 FCWP 11 FCWP 14	<p>The Committee shall review and challenge, where necessary, the actions and judgements of management in relation to progress against financial plans, paying particular attention to:</p> <ul style="list-style-type: none"> The implementation, development and delivery of the Financial Plan in relation to both revenue and capital and to ensure inclusion of clear assumptions on allocations, activity and investment. The development of firm plans that seek to demonstrates the best use of capital assets and estates.
FCWP 15 (in addition to 10,11,14)	<ul style="list-style-type: none"> To oversee the Trust’s operating cash policy and monitor compliance. To review and consider the Trust’s financing strategy. To ensure appropriate independent advice is sought in relation to major investments. Consider post project evaluation reports on significant capital investments.

Name of Committee & Workplan Ref.	FINANCE COMMITTEE
FCWP 14	<ul style="list-style-type: none"> To monitor, and make recommendations on as necessary, the adequacy and effectiveness of the Trust's performance reporting. To examine any other matter referred to the Committee by the Board of Directors. Provide an oversight of the development and implementation of financial systems across the Trust. To obtain assurance that high levels of financial control are exercised and embedded within the operational management of the Trust; this will include the development of systems, policies and procedures. To obtain assurance that the FIP process is robust and secures the delivery of financial recovery plans and efficiency improvements as appropriate. Maintain an oversight of, and receive assurances on the robustness of the Trust's key income sources and contractual safeguards <p>The Committee should also ensure that the systems for financial reporting to the Board of Directors, including those of budgetary sign off and control, are subject to review as to completeness and accuracy of the information provided to the Board of Directors.</p> <p><u>Other Matters</u></p> <p>The Committee will also carry out the following functions:</p>
FCWP 11	<p><i>(i) In-Year Performance Income and Expenditure:</i></p> <ul style="list-style-type: none"> Review variance analysis by Division and causal factor and be assured of the effectiveness of remedial action to support achievement of year-end balance and recovery plan targets. Review Divisional performance and recovery plans for achievement of target. Review performance on key finance parameters including debtors and Public Sector Payment Policy (PSPP). Approve the annual submission of PLICS & Reference Costs data as required by the NHSI&E National Cost Collection. Review updates on the ICS and ICP financial position
FCWP 8	
FCWP 12	<p><i>(ii) Capital Investment:</i></p> <ul style="list-style-type: none"> Agree capital budgets. Monitor in-year performance.
FCWP 11 FCWP 14	<p><i>(iii) Forward Year Budgets:</i></p> <ul style="list-style-type: none"> Review and agree work plan/timetable for forward year budget development and sign off and monitor progress. Review budget proposals, including identification of key risks
FCWP 14	
FCWP 10 FCWP 14	<p><i>(iv) Finance Capability:</i></p> <ul style="list-style-type: none"> Review capability/capacity on an ongoing basis and identify action as required to achieve appropriate outcomes. Monitor delivery of plans.
FCWP 10 FCWP 14	<p><i>(v) VFM and Efficiency:</i></p> <ul style="list-style-type: none"> Commission special studies as required to address areas of concern and recommend action as appropriate. <p><i>(vi) Strategy:</i></p>

Name of Committee & Workplan Ref.	FINANCE COMMITTEE
FCWP 15 FCWP 7 FCWP 13 FCWP 17	<ul style="list-style-type: none"> Monitoring of the Trust's rolling 5 year financial strategy. <p>(vii) <i>Estates:</i></p> <ul style="list-style-type: none"> Review the PFI contract governance and contract management undertaken by the Trust's Estates & Facilities team. <p>(viii) <i>IT</i></p> <ul style="list-style-type: none"> Monitor NHIS financial and operational performance. <p>(ix) <i>Procurement</i></p> <ul style="list-style-type: none"> Monitor and review contract management undertaken by the Trust's Procurement team. <p>The Committee will provide an opportunity to discuss key financial issues that require detailed discussions, prior to discussion at Board. This may include specific business cases or restructuring proposals or single tender actions.</p>
Serviced By	The Corporate Secretariat whose duties will include; <ul style="list-style-type: none"> Agreement of agenda with Chair. Advising the Committee on pertinent areas and ensure it is fully informed of activities in its Reporting Meetings. Ensuring minutes and collation of papers are undertaken.
Frequency of Meetings	Meetings shall be held not less than 6 times a year and should coincide with key event in the financial calendar.
Required Attendance	Members should attend the majority of meetings (4 of 6) as well as any extra – ordinary meetings that are held.
Quorum	Two Non-Executive Members (which must one of whom must be either the Committee Chair or the Deputy-Vice Chair), and one Executive Director.
Reporting Procedures FCWP16	<p>The Committee Chair shall draw to the attention of the Board of Directors any issues that require disclosure or Executive action.</p> <p>The Committee's duties and activities during the year shall be disclosed in the Annual Report.</p> <p>The Chair of the committee shall attend the Annual General Meeting and shall answer questions through the Chair of the Board of Directors, on the Committee's activities and their responsibilities.</p>
Minutes Circulated To	The Secretary shall circulate minutes of meetings of the Committee to all member of the Finance Committee.
Date Approved	30th March 2021 <u>TBC</u>

Name of Committee & Workplan Ref.	FINANCE COMMITTEE
Process For Monitoring The Effectiveness Of The Above	The Committee will undertake an annual review of its performance against its Terms of Reference and work plan in order to evaluate the achievement of its duties. This review will be presented to the Board of Directors in the form of the Committee's annual Effectiveness Review.