

FINANCE COMMITTEE TERMS OF REFERENCE

Overview and purpose

The finance committee is responsible for monitoring performance and gaining assurance on the achievement of the objectives and targets set by the Board.

Alignment with Trust Strategic Priorities

Relevant CLCH strategic priorities	Trust objective 2020/21 ¹
Strategy implementation	Implement strategic priorities of integration and place
Finance	Deliver the 2020/21 financial plan
Operations	Deliver all NHS constitutional and contractual standards

1 Membership

- 1.1 The committee will comprise a minimum of five members, including at least two NEDs, the Director of Finance, Contracting and Performance, Chief Operating Officer and the Director of Improvement. In exceptional circumstances, members may appoint a deputy to represent them at a committee meeting.
- 1.2 Only members of the committee have the right to attend and vote at committee meetings. The committee may require other officers of the Trust and other individuals to attend all or any part of its meetings.
- 1.3 The chair of the committee will be an independent Non-Executive Director. In the absence of the committee Chair and/or an appointed deputy, the remaining members present shall elect another member who is a Non-Executive Director to chair the meeting.

2 Secretary

- 2.1 The Trust Secretary or their nominee shall act as the secretary of the committee.

¹ Assuming there are no major changes in March 2020

3 Quorum

- 3.1 The quorum will be at least at least one Non-Executive Director and one Executive Director.

4 Frequency of meetings and attendance requirements

- 4.1 The committee will normally meet a maximum of ten times a year at appropriate times in the reporting cycle and otherwise as required.
- 4.2 Committee members should aim to attend all scheduled meetings but must attend a minimum of six meetings per year. The Secretary of the committee shall maintain a register of attendance which will normally be published in the Trust's annual report.

5 Notice of meetings

- 5.1 Meetings of the committee may be called by the Secretary of the committee at the request of any of its members or where necessary.
- 5.2 Unless otherwise agreed, notice of each meeting, confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than 2 clear working days before the date of the meeting. Supporting papers shall be sent to committee members, attendees and the remaining board members for information.

6 Minutes of meetings

- 6.1 The secretary or their nominee shall minute the proceedings of all meetings of the committee, including recording the names of those present and in attendance.
- 6.2 Members and those present should state any conflicts of interest to be recorded in the minutes.
- 6.3 Minutes of committee meetings will be included with papers for the following meeting and, once agreed, included with papers for the next Board of Directors meeting, unless a conflict of interest exists.

7 Annual General meeting

- 7.1 The chair of the committee will normally attend the Annual General Meeting prepared to respond to any questions on the committee's activities.

8 Duties

- The committee should carry out the following duties for the Trust. To:
- 8.1 Consider the Trust's finance strategy for revenue and capital
- 8.2 Review and recommend for approval by the Board - the Trust's long term Financial plan
- 8.3 Assess progress against the Trust's strategic priorities through achievement of its key performance indicators and other metrics required contractually or by regulators as relevant, including workforce, quality and operational performance; referring areas of concern (for deep dives) to the appropriate Board committee

- 8.4 Evaluate the Trust's overall financial performance in terms of income, expenditure, working capital and capital and seek assurance that the position is in line with approved plans, targets and milestones.
- 8.5 Gain assurance over the key financial and performance outcomes at contracting, divisional and business unit level as required including cost improvement programme and income growth,
- 8.6 Seek assurance from the Executive Directors that, if necessary, appropriate management action has been taken to return Trust performance to plan and that any such actions or recovery plans are in place and are adequately resourced, implemented and monitored.
- 8.7 Seek assurance on the arrangements to ensure delivery of the transformation programme including reviewing achievement of benefits and progress against plan.
- 8.8 Gain assurance over the management of the aged debtor and creditor balances, compliance with the NHS better payments practice code and other areas of financial performance and risk as decided by the board.
- 8.9 Undertake those responsibilities in relation to investments, borrowings and other treasury transactions as described in the treasury policy and to seek assurance that investments and treasury policies are followed and remain fit for purpose.
- 8.10 Consider the Trust's strategies for IM&T, procurement and estates and gain assurance in relation to their implementation.
- 8.11 To receive reports in relation to informatics and cyber security, together with quarterly reports on data quality focusing on key metrics and progress to improve data quality.
- 8.12 Recommend to the Board any investments above the delegated limits of individual Executive Directors or committees, where relevant ensuring appropriate external advice is sought in line with Trust SFIs.
- 8.13 Consider post investment review reports, to agreed criteria, for significant investments approved by the Board of Directors (and others as required).
- 8.14 Seek assurance on the continuous development and embedding of Service Line Management throughout CLCH
- 8.13 Seek assurance on appropriate use of internal and external benchmarking of services as part of the development of the Trust transformation programme.
- 8.14 Consider tenders, acquisition or disposals in line with the business opportunities framework, SFIs and commercial strategy and make recommendations to the Board as relevant.
- 8.15 Consider risks rated 15 and above in relation to: finance and performance; information management and technology; information governance; cyber security and informatics²
- 8.16 Report any material control issues to the Audit committee.
- 8.17 Approve any policies delegated to the committee by the Board and as set out in the policy for the development and management of procedural documents as amended from time to time.

9 Reporting responsibilities

- 9.1 The committee will report to the Board of Directors on its proceedings after each meeting.

² reference Risk Management Strategy 2017-2020

- 9.2 Following each meeting, the Chair of the committee will provide a written (or where time does not allow, an oral) report to the next meeting of the Board of Directors. This will draw the attention of the Board to any issues arising from the committee's monthly review of performance that require Board discussion and/or decision. The Chair of the committee will also draw to the attention of the Board any other issues that require disclosure to the full Board including those that affect the financial standing of the Trust or require executive action
- 9.3 The committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

10 Other matters

The committee should:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access to the Trust secretariat for assistance as required;
- 10.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 10.3 Give due consideration to laws and regulations;
- 10.4 At least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board of Directors for approval, any changes it considers necessary.

11 Authority

- 11.1 As a committee of the Board of Directors, the committee has no powers, other than those specifically delegated in these terms of reference or otherwise delegated by the Board of Directors. The committee is authorised:
- 11.1.1 To seek any information it requires from any employee of the Trust in order to perform its duties
- 11.1.2 To obtain outside legal or other professional advice on any matter within its terms of reference via the Trust Secretary
- 11.1.3 To call any employee to be questioned at a meeting of the committee as and when required.

12 Monitoring and Review:

- 12.1 The Board will monitor the effectiveness of the committee through receipt of minutes or such written or verbal reports that the Chair of the committee provide.
- 12.2 The Secretary will assess agenda items to ensure they comply with the committee's responsibilities.
- 12.3 The Secretary will monitor the frequency of the committee meetings and the attendance records to ensure minimum attendance figures are complied with. The attendance of members of the committee will be reported in the annual report.
- 12.4 Terms of reference to be considered and agreed by the committee in January 2020
- 12.4 Terms of reference to approved by the Trust Board in March 2020
- 12.5 To be reviewed at least annually.