

TRUST BOARD
28th September 2017

AGENDA ITEM NUMBER	6.4	
TITLE OF PAPER	Financial Management Committee Terms of Reference	
Confidential		
Suitable for public access	√	
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN VIEWED		
These Terms of Reference were reviewed at the Financial Management Committee meeting held on 21 st September 2017.		
STRATEGIC OBJECTIVE(S):		
Best outcomes	√	
Excellent experience	√	
Skilled & motivated teams	√	
Top productivity	√	
EXECUTIVE SUMMARY	<p>The Terms of Reference of the Financial Management Committee were reviewed and approved at the Trust Board meeting on 29th June 2017.</p> <p>Following the actions agreed as part of the Well Led Review the Committee discussed the minor gaps that had been identified during the Well Led Review, compared to best guidance, as follows:</p> <ul style="list-style-type: none"> • <i>No mention of the process by which the Chair or other members can call an exceptional meeting;</i> • <i>There is no statement that the minutes of the meeting shall be formally recorded or that an action log will be kept to record matters arising and issues to be carried forward.</i> <p>These have now been incorporated into the revised Terms of Reference along with a further change agreed at the July Committee meeting to move to eleven meetings a year. The revised Terms of Reference are now presented for approval.</p>	
RECOMMENDATION	Receive and approve	
SPECIFIC ISSUES CHECKLIST:		
Quality and safety		
Patient impact		
Employee		

Other stakeholder	Commissioners, auditors and regulators are considered during discussions.
Equality & diversity	
Finance	The Financial Management Committee reviews the financial performance, position, risks and decision-making of the Trust.
Legal	
Link to relevant Board Assurance Framework Principle Risk	Financial risks 4. Aligns with monitoring various risks on the Trust Risk Register in respect of (i) performance targets, (ii) CIP's, (iii) temporary/agency staff expenditure and (iv) budget management.
AUTHOR NAME/ROLE	Paul Doyle, Deputy Director of Finance Please approach for any further information required.
PRESENTED BY DIRECTOR NAME/ROLE	Meyrick Vevers, Non-Executive Director and Committee Chair
DATE	21 st September 2017
TRUST BOARD ACTION	Receive

TRUST BOARD
28th September 2017

Financial Management Committee
Terms of Reference

Constitution

The Trust Board hereby resolves to establish a Committee of the Trust Board to be known as the Financial Management Committee (The Committee). The Committee is a Non-Executive Committee of the Trust Board and has no executive powers, other than those specifically delegated in these Terms of Reference.

Authority

The Committee is authorised by the Trust Board to investigate any activity within its Terms of Reference. It is authorized to request any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain legal advice and to secure the attendance of experts and external representatives or persons with relevant experience/expertise if it considers it necessary.

Limits to authority include:

It is not the duty of the Committee to carry out any functions that properly belong to the Trust Board or other Board Committees.

Membership

Membership

1. Non-Executive Director (chair)
2. Non-Executive Director
3. Non-Executive Director
4. Director of Finance & Information
5. Director of Operations for Urgent and Emergency Care
6. Director of Operations for Planned Care and Diagnostics

The following officers will be invited to attend meetings as required:

1. Chief Executive
2. Chief Nurse/Medical Director
3. Director of Workforce Transformation

Attendance

Attendance at meetings is essential. In exceptional circumstances when an Executive member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf. Members will be required to attend as a minimum, 50 percent of the meetings per year.

Quorum

The quorum necessary for the transaction of business shall be 3 members of whom at least two must be Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercisable, by the Committee.

Frequency and Conduct

The Committee will meet monthly in the week preceding the Trust Board. Items for the agenda should be submitted to the Secretary a minimum of one week prior to the meeting (secretarial support will be provided by the Deputy Director of Finance). The exception to this is that there will be no meeting held in August each year.

In exceptional circumstances the Chair of the Committee can at any point, either at their own or another Committee members' request, call an extraordinary meeting of the Committee. Such exceptional meetings should only be called with sufficient notice to enable the meeting to be quorate

Membership and Terms of Reference will only be changed with the approval of the Committee and will be reviewed and agreed annually.

Duties

To review the financial performance, position, risks and decision-making of the Trust. To the Board it gives assurance that this process of review is satisfactory and draws matters of importance to their attention. In doing so, and to enable it to discharge its duties, the Committee will receive reports on operational and workforce performance.

To report to the Audit Committee any issues that needs to be brought to their attention.

Key Responsibilities

The objectives of the Committee are as follows:

- Consider reports on the financial, activity and workforce position for the Trust, identifying significant trends and risks and actions to be taken and ensuring reports are focused on the key issues;
- Consider the latest forecast outturn position and NHS Improvement compliance forecasts, and any risks to achieving those forecasts (either under or over);
- Review the preparation of the annual budget.
- Review and consider the financial implications of achieving Performance Targets especially where slippage has arisen in-year;
- Review of the Operational Performance Report;
- Review of the Workforce Report;
- Review of operational effectiveness targets;
- Review of progress against Compliance targets per Corporate Plan and recovery plans where necessary;
- Review the performance of the Capital Programme;
- Consider the financial viability and benefits of significant investment proposals prior to their submission to the Trust Board. Ensure that investment project reviews are undertaken and that project objectives are achieved;
- Review progress in meeting Cost Improvement Plan programmes and Action Plans, ensuring that quality implications have been considered. Consider future years Cost Improvement Plans;
- Regularly review the Trust's Long Term Financial Model, along with associated risks and sensitivities;
- Review progress on Service Line Reporting;
- Identify and review financial risks to the Trust;
- Identify key issues that the Trust Board needs to be made aware of and investigate matters as requested by the Trust Board;
- Agree policy guidelines on finance and procurement; and

- Review the Terms of Reference annually.

Management

An annual schedule of reports will be followed to provide a standard Committee agenda. This will provide assurance to the Committee and the Trust Board that the relevant areas are being overseen:

1. Matters arising
2. Operational Performance Report
3. Workforce Report
4. Finance Report
5. Forecast
6. Service Line Reporting
7. Policies and procedures
8. Investment decisions (business cases)
9. Finance Hot Topics
10. Finance Risks
11. Items for information

Reporting and Monitoring Responsibilities

The minutes of the Committee's meetings shall be formally recorded and submitted to the Trust Board. The Chair of the Committee shall draw to the attention of the Trust Board any issues that require disclosure to the Board, or require executive action; the speed of communication should be proportionate to the seriousness and likely impact of the issue.

An action log will be kept to record matters arising and issues to be carried forward.

The Chair will also report to the Trust Board at each meeting on the proceedings of the Committee since the previous meeting.

Reporting Arrangements from Sub – Groups

1. Capital Control Group
Reporting through its membership and exception reporting process.

Chair

The Nominated Non-Executive Director shall act as Chair of the Committee. In their absence, a Non-Executive Director shall act as Chair.

Secretary

The Deputy Director of Finance, or their nominee, shall act as the secretary of the Committee.

Permanency

Permanent

Papers

Papers to be circulated on Friday in advance of the meeting taking place the following week.

Approved by:

The Trust Board

Date:

