Ashford and St. Peter's Hospitals NHS
NHS Trust

TRUST BOARD
29th July 2010

TITLE	Annual Report from the Finance Committee to the Trust Board
EXECUTIVE SUMMARY	As a formal sub-committee of the Trust Board the Finance Committee presents its Annual Report to the Trust Board for noting. The attached report was discussed at the Finance Committee meeting held on 21st July 2010 and summarises the key areas of activities over the last year in discharging its duties under its approved Terms of Reference. It also sets out its objectives for the coming year.
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Board is assured by the scrutiny provided by the Finance Committee on financial matters and associated risks.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None obtained.
EQUALITY AND DIVERSITY ISSUES	None that I am aware of.
LEGAL ISSUES	None that I am aware of.
The Trust Board is asked to:	Note the Annual Report from the Finance Committee.
Submitted by:	Peter Taylor, Non-Executive Director Paul Doyle, Deputy Director of Finance
Date:	22nd July 2010
Decision:	For Noting

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29th July 2010

Annual Report of the Finance Committee to the Trust Board

Introduction

The Finance Committee is a formal sub-Committee of the Trust Board with defined Terms of Reference and as such is required to prepare an annual report on its work and performance in the preceding year for consideration by the Trust Board. This report summarises the Finance Committees activity for the year to 30th June 2010.

Meetings

Meetings were held on the following dates during the period: -

21st July 2009	19th August 2009
16th September 2009	21st October 2009
18th November 2009	16th December 2009
20th January 2010	17th February 2010
17th March 2010	21st April 2010
19th May 2010	16th June 2010

Membership and Attendance

The membership of the Finance Committee over the year is set out below along with the maximum number of meetings that could have been attended and actual number attended. Some members are required to attend alternate meetings hence a reduced maximum number. Each member (or fully briefed deputy) must attend a minimum of 50% of meetings during the year and this was achieved.

Name	Position	Max	Actual
Norman Critchlow (Chair to February 2010, left 31st May 2010)	Non-Executive Director	11	8
Peter Taylor (Chair from March 2010)	Non-Executive Director	12	12
Terry Price	Non-Executive Director	12	9
Nadeem Aziz (started 1st June 2010)	Non-Executive Director	1	1
John Headley	Director of Finance and Information	12	11
Valerie Howell	Deputy Chief Executive	12	7
Raj Bhamber	Director of Workforce and OD	12	7
Andrew Liles	Chief Executive	6	4
Caroline Becher	Chief Nurse	6	3
Paul Bentley	Director of Strategy	6	6

The Committee is supported by the Deputy Director of Finance who acts as Secretary to the Committee.

Terms of Reference

The Finance Committee reviewed its Terms of Reference at meetings of the Committee held on 19th May 2010 and again on 16th June 2010. The review aimed to refocus the Committee's work to be more forward looking and to ensure robust processes were in place for scrutiny of finances as a Foundation Trust. In addition the review was linked to the changes of reporting of the financial position at Trust Board level. At each Finance Committee meeting key messages are now agreed and fed back to the Trust Board monthly.

As part of this review it was also agreed that the governance process of reviewing Charitable Funds would be taken out of the Committee's Terms of Reference and dealt with separately.

These revised Terms of Reference were then ratified by the Trust Board at its meeting held on 24th June 2010.

Progress/Achievements

In year the Committee has reviewed the Activity and Workforce reports to aid its understanding of the Trust's finances. In addition it has received papers on a review of the NHS Surrey contract position, non-elective cap and temporary staffing costs.

The Committee continued to review the Finance Report on a monthly basis to ensure that the Trust was able to meet its financial duties. The Finance Report has been amended to refocus on key risks and actions being taken with more emphasis on the forecast position. Additional papers on work sent out and detailed CIP plans have been reviewed.

In respect of the Trust's application to become a Foundation Trust in 2010 the Committee has received updates on the Trust's Long Term Financial Model, the private patient cap, working capital facility and the compliance framework.

Other work undertaken by the Committee in the year to 30th June 2010 included reviews of: -

- capital programme (bi-monthly)
- Waivers (monthly)
- Business cases within the Committee's remit under the Scheme of Delegation (monthly)
- Service Line Reporting
- IFRS accounting
- 2010/11 budget and capital programme
- Development of balance scorecard (finance section)
- charitable funds (to June 2010)

A change that the Committee undertook during the year was that it started to look at contracts with external parties and reviews of processes. This included: -

- procurement arrangements
- BMI Runnymede contract
- InHealth contract
- debt collection process and bad debt policy

Polices

The Committee has ratified policies on Treasury Management and Investments prior to formal Trust Board approval. These policies are required by Foundation Trusts and show the Committee's focus on Foundation Trust preparedness.

Objectives for the Next Year

The Committee will continue to focus on improving the financial reporting ensuring that the key issues and risks are identified and action plans put in place.

In addition the Committee will take a key role in reviewing financial issues related to the Trust's application to become a Foundation Trust.

Following on from the reviews carried out in 2009/10 there will be a bigger focus on contracts and commercial issues.

Conclusion

The Committee has complied with its Terms of Reference during the periods under review.

Peter Taylor
Finance Committee Chair (to 30th June 2010)
July 2010