Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

TRUST BOARD
30th June 2011

TITLE	**Finance Committee - Terms of Reference**
EXECUTIVE SUMMARY	The Finance Committee reviewed its Terms of Reference at its May 2011 meeting and attached are a revised set of Terms of Reference for Trust Board approval. Changes made as a result of the review are incorporated in the attachment as tracked changes.
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Finance Committee provides essential assurance to the Trust Board that there are robust and integrated mechanisms in place to ensure detailed consideration and oversight of the Trusts financial position, in the context of clinical activity data and workforce metrics.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None identified.
EQUALITY AND DIVERSITY ISSUES	None identified.
LEGAL ISSUES	None identified.
The Trust Board is asked to:	Approve the revised Terms of Reference for the Finance Committee.
Submitted by:	Jim Gollan, Non-Executive Director and Finance Committee Chair Paul Doyle, Deputy Director of Finance
Date:	22nd June 2011
Decision:	For approval

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

Finance Committee – June 2011

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Terms of Reference

Constitution

The Trust Board hereby resolves to establish a Committee of the Trust Board to be known as the Finance 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 Finance 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. Deputy Chief Executive
6. Director of Workforce & Organisational Development

Deleted: Chief Operating Officer

The following officers will be invited to attend alternate meetings:

1. Chief Executive
2. Chief Nurse

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Deleted: Director of Strategy

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 a Non-Executive Director. 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

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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 Finance Director).

Membership and terms of reference will only be changed with the approval of the Committee and will be reviewed and agreed annually.

Duties

To provide essential assurance to the Trust Board that there are robust and integrated mechanisms in place to ensure detailed consideration and oversight of the Trusts financial position, in the context of clinical activity data and workforce metrics. Information will be provided on key issues to enable clear decision points to be made. This will encompass assurance on the current year position as well as the longer term finances and also ensure compliance with: -

- Statutory reporting requirements (including external audit);
- Regulatory bodies such as the Department of Health and Monitor; and
- Meet specified Trust objectives.

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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 quarterly Monitor compliance forecasts, and any risks to achieving those forecasts (either under or over);
- Review the preparation of the annual budget. Review the in-year financial reports. Review and consider the financial implications of achieving Performance Targets especially where slippage has arisen in-year;
- 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;
- Review of the finances of the Charitable Funds; 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. Activity
3. Workforce
4. Finance Report
5. Forecast
6. Cost Improvement Programme
7. Capital Programme
8. Polices and procedures
9. Investment decisions
10. Items for information

Reporting and Monitoring Responsibilities

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.

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

A quarterly finance report will be presented to the Trust Board.

Reporting Arrangements from Sub – Groups

1. Commercial Group
Reporting through its membership and exception reporting process.
2. 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 Finance Director, or their nominee, shall act as the secretary of the Finance Committee.

Permanency

Permanent

Papers

Papers to be circulated 1 week in advance of meetings .

Approved by:

The Trust Board Date: 30th June 2011

Finance Committee Date: 22nd June 2011

Annual Review date: May 2012

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