

## **FINANCE COMMITTEE**

### **TERMS OF REFERENCE AND OPERATING ARRANGEMENTS**

#### **1. Introduction**

The Board shall establish a Committee to be known as Finance Committee. The detailed terms of reference and operating arrangements in respect of this Committee are set out below.

#### **2. Constitution and Purpose**

The purpose of this Committee is to advise and assure the Board in discharging its responsibilities with regard to its current and forecast financial position, performance and delivery.

The Board has resolved to establish a Finance Committee which will allow appropriate scrutiny and review to a level of depth and detail not possible in Board Meetings in respect of performance relating to:-

- Financial plans and monitoring including delivery of savings programmes
- Scrutiny and monitoring of Financial monthly performance

The Committee will ensure that evidence based and timely interventions are implemented to drive forward improved financial performance thereby allowing the Health Board to achieve the requirements and standards determined for the NHS in Wales.

#### **3. Delegated Powers**

The Committee, in respect of its provision of advice and assurance will, and is authorised by the Board to:-

- Review monthly Financial Report prior to submission to the Board
- Monitor, review and scrutinise Cost Reduction Programme and Financial Tracker System for Corporate and Clinical Boards
- Approve and monitor the IMTP financial plan
- Scrutinise the delegated budgets within the budget plan
- Receive assurances with regard to the progress and impact/pace of implementation of Health Boards Cost reduction Programmes/Savings Plan
- Seek assurance on the Financial Planning process and consider Financial Plan proposals
- Scrutinise financial performance and cash management against revenue budgets and statutory duties.
- Scrutinise submissions to be made in respect of revenue or capital funding and the service implications of such changes
- Monitor and review agreed dis-investments
- Review the Board's Scheme of Financial Delegation as and when necessary
- Receive reports arising from financial reviews, including performance and accountability reviews of Corporate and Clinical Boards
- Review the Financial Risk Register

#### **4. Authority**

The Committee may investigate or have investigated any activity (clinical and non-clinical) within its terms of reference. It may seek relevant information from any:-

- Employee (and all employees are directed to co-operate with any legitimate request made by the Committee)
- Other committee, sub-committee or group set up by the Board to assist in the delivery of its functions

May obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

May consider and where appropriate, approve on behalf of the Board any policy within the remit of the Committee's business

Will review risks from the Board Assurance Framework that are assigned to the Committee by the Board and advise the Board on the appropriateness of the scoring and mitigating actions in place.

#### **5. Sub-Committees**

The Committee may, subject to the approval of the Health Board, establish sub-committees to task and finish groups to carry out on its behalf specific aspects of Committee business.

#### **6. Membership**

##### **Members**

Chair: Independent member of the Board for Capital and Estates

Members: A minimum of 2 other Independent members of the Board one of whom will be the Committee Vice Chair.

##### **In attendance**

Chief Executive  
Executive Director of Finance  
Chief Operating Officer  
Executive Director of Workforce and Organisational Development  
Executive Director of Strategic Planning  
Executive Nurse Director  
Director of Corporate Governance  
Deputy Director of Finance

Other Directors/Officers will attend as required by the Committee Chair, as well as any others from within or outside the organisation who the Committee considers should attend, taking into account the matters under consideration at each meeting.

##### **Member Appointments**

The membership of the Committee shall be determined by the Chair of the Board taking account of the balance of skills and expertise necessary to deliver the Committee's remit and subject to any specific requirements or directions made by the Welsh Government.

The Committee will be chaired by the Independent Member for Capital and Estates supported by a Vice Chair who shall also be an Independent Member.

Appointed Independent Members shall hold office on the Committee until such time as it is stood down.

### **Secretariat**

Committee Secretary: as determined by the Director of Corporate Governance.

### **Support to Committee Members**

The Director of Corporate Governance, on behalf of the Committee Chair, shall:

- Arrange the provision of advice and support to Committee Members on any aspect related to the conduct of their role
- Ensure the provision of a programme of development for the Committee members as part of the overall Board Development programme

## **7. Committee Meetings**

### **Quorum**

At least two Independent Members must be present to ensure the quorum of the Committee. This should include either the Chair or the Vice Chair of the Committee. In the interests of effective governance it is expected that a minimum of two Executive Directors will also be in attendance.

### **Frequency of Meetings**

Meetings shall be routinely held on a monthly basis. This will be reviewed on a regular basis.

### **Withdrawal of individuals in attendance**

The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion or particular matters

## **8. Relationship and Accountabilities with the Board and Its Committees/Groups**

Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains the overall responsibility and accountability for ensuring good financial management for its citizens through the effective governance of the organisation.

The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference.

The Committee, through its Chair and members, shall work closely with the Board's other Committees including Sub-Committee/Advisory Groups to provide advice and assurance to the Board through the:

- Planning and co-ordination of Board and Committee business
- Sharing of information
- In doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance arrangements

The Committee shall embed the Health Board's strategy, corporate goals and priorities through the conduct of the business.

## **9. Reporting and Assurance Arrangements**

The Committee Chair shall:

- Report to each Board meeting on the Committee's key activities via the Chair's report
- Ensure the public minutes of each meeting of the Committee are presented to the Board meeting
- Ensure appropriate escalation arrangements are in place to alert the Board and Welsh Government of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

The Director of Corporate Governance, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation.

## **10. Applicability of Standing Orders to Committee Business**

The requirements for the conduct of business as set out in the Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum

## **11. Review**

These terms of reference and operating arrangements shall be reviewed annually by the Committee and any changes recommended to the Board for approval.