

Finance Assurance Committee

Terms of Reference

1. Constitution

The Finance Assurance Committee is established as a Committee of the Board of Directors of Frimley Health NHS Foundation Trust (the Trust).

The Finance Assurance Committee will review these Terms of Reference on an annual basis as part of a self-assessment of its own effectiveness. Any recommended changes brought about as a result of the yearly review, including changes to the Terms of Reference, will require Board of Directors approval.

2. Authority

The Finance Assurance Committee is directly accountable to the Board of Directors. All minutes of committee meetings will be reported directly to the Board of Directors.

The Finance Assurance Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Financial Assurance Committee.

The Finance Assurance Committee is further authorised by the Board to obtain external independent professional advice and to secure the attendance of specialists with relevant experience and expertise if it considers this necessary.

The Financial Assurance Committee can (via The Chair of The Audit Committee) request assistance from the Trust's auditors on any aspect of the Trust's finances as it deems necessary.

3. Aim

The aim of the Finance Assurance Committee is to provide an objective view of the financial performance, and financial strategy of the Trust, together with an understanding of the risks and assumptions within the Trust financial plans and projections. The committee will review arrangements for procurement and productivity and efficiency within the Trust, including plans to deliver savings and transformation. The committee will provide assurance to the Board about the integrity and deliverability of the Trust financial and efficiency plans.

4. Objectives

Specific responsibilities of the Financial Assurance Committee include:

- Financial strategy and business planning:
 - Review the trust Annual and medium-term financial plans, assess the assumptions therein and the alignment with overall Trust objectives.
 - Review in-year performance against financial plan, particularly gaining an understanding of key assumptions and risks within the Trust projections.
 - Review through particular scrutiny 'Deep Dive Reviews' the latest year end forecast at the end of months 3, 6 and 9.
 - Review levels of contingency within the Trust financial plans and the phasing of key developments and efficiency schemes, ensuring that the full impact of any developments (including depreciation and cost of capital) have been appropriately included.

- Review and develop reporting arrangements.
- Income and Contracts management
 - Review the Trust contracting approach with key commissioners
 - Monitor in-year income against contract and levels of risk, including commissioner challenges, accrued income, fines and penalties, and income disputes.
 - Review arrangements for non-activity related income streams, particularly CQUIN, to understand alignment with Trust clinical priorities and levels of income risk.
 - Consider material opportunities to grow new income streams and market share of existing services.
- Transformation and Efficiency
 - Review the process for developing the CIP and for the oversight and delivery of the programme within the Trust.
 - Review the process for developing the transformation plan and for the oversight and delivery of the programme within the Trust.
 - Consider and recommend any major transformation programmes that the Trust should undertake.
 - Review the annual CIP and transformation plan to provide assurance that delivery risk is minimised and productivity and efficiency maximised, in particular that contingency, phasing and risk mitigation plans are appropriate and that savings programmes are realistic and deliverable.
 - Receive assurances regarding efficient and effective resource planning, particularly with respect to staffing and the deployment of agency staff.
 - Receive benchmarking and other information (for example from Carter metrics) to assess Trust productivity and ensure targeting or efficiency programmes.
 - Receive assurance that any process reviews are conducted using an appropriate methodology (for example LEAN).
 - The Committee will review all Transformation Plan Programmes. Following approval by the Executives of 'Gateway 1 – Define', the Committee will review 'Gateway 2 – Initialisation' and 'Gateway 3 – Implementation', ensuring that these programmes are being formulated and implemented satisfactorily to deliver the promised benefits to the organisation. The Committee will review the Transformation Plan Programmes against the criteria set down in 'Gateway 4 – Close and Post Implementation Review'.
- Procurement
 - Review the Trust procurement strategy, systems and arrangements for obtaining best value.
 - Monitor progress against the NHS standards of Procurement within the Trust.
- Other
 - Oversee funding arrangement for DH transaction deficit support and CCG integration funding.
 - Gain assurance that Cash management arrangements are robust.
 - Review financial systems arrangements including those used for costing, income and service level reporting where appropriate.

5. Method of Working

A standard agenda as follows will be used by the Finance Assurance Committee, including the following:-

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Previous Meeting
4. Action Log
5. Any Other Business
6. Date of Next Meeting

All Minutes of the Finance Assurance Committee will be presented in a standard format, as set out in Appendix A.

All meetings will receive an action log (detailing progress against actions agreed at the previous meeting) for the purposes of review and follow-up. The action log template is attached at Appendix B.

6. Membership

The Members of the Finance Assurance Committee shall comprise at least three Non-Executive Directors, one of whom will chair the meeting and one of whom will be nominated as Deputy Chair.

The Chief Executive, Director of Finance, Medical Director and Directors of Operations will be members of the meeting. Any other Executive Director or appropriate attendee will be invited to attend as required. The Director of Operational Finance will deputise in the absence of the Director of Finance and will be considered as a member of the committee in that instance.

The Director of Operational Finance/ the Associate Director of Procurement or deputy will attend and coordinate all meetings.

Other regular attendees will include:

Director of Operational Finance
Associate Director of Procurement

7. Quorum

The quorum shall be three members, of which at least two must be Non-Executive Directors.

8. Frequency of Meetings

The Finance Assurance Committee will meet at least on a quarterly basis to ensure it is able to discharge all its responsibilities. A rolling agenda will be constructed such that all areas of the Committees function can be appropriately discharged over each financial year.

Committee members are expected to attend a minimum of 75% of the scheduled meetings.

9. Secretariat function

The agenda will be prepared by the Committee Chair and Director of Operation Finance/ Associate Director of Procurement, with input from the Committee members and other regular attendees who may propose items for inclusion in the agenda. Items for inclusion in the agenda will be submitted a minimum of two weeks prior to the meeting. The agenda with associated meeting papers will be distributed to members of the Committee one week prior to the meeting. Draft minutes of the meetings will be distributed to all members within one month of the meeting. The secretary to the committee will record and disseminate actions and liaise with Trust members to ensure that actions are progressed and papers collated. The date for the next meeting will be arranged and distributed to all members within one month of the meeting. The date for the next meeting will be arranged and distributed to all members with the draft minutes.

10. Reporting Lines

The minutes of each Committee meeting will be reported to the private Board of Directors. A summary of the minutes of each meeting will be included in the next public board agenda.

The Finance Assurance Committee has no sub-committees but will receive a variety of reports to allow it to carry out its stated duties. The Committee will work to minimise overlap with the Audit Committee and the Commercial Development and Investment Committee.

Where a significant risk emerges either through a report or through discussion at a Committee meeting, this will be reported to the Board by the Chair. The outcomes of any 'Deep Dive Reviews' will be reported to the Board and any follow up action kept under review by the Committee.

Reviewed by: Committee
Date: 31st October 2018
Approved by: Board
Date: 7th December 2018
Review: December 2019

MINUTES OF THE FINANCE ASSURANCE COMMITTEE

DD/MM/YYYY at HH:MM in the VENUE

Present: Core Members
Other Invitees
In Attendance: (Minutes)

1.	Apologies for Absence Apologies were received from (list)	
2.	Declarations of Interest	
3.	Minutes The Minutes of the Meeting held on XXX were approved as a correct record with the following amendments-	
4.	Action Log	Initials of action owner
5.	XXXX	
6.	XXXX	
7.	XXXX	
8.	Any Other Business	
9.	Date of Next Meeting	



Finance Assurance Committee

Agreed Action	Lead	End Date
ACTIONS COMPLETE		
ACTIONS IN PROGRESS		
ACTIONS OVERDUE		