



FINANCE AND INVESTMENT COMMITTEE

<u>TITLE</u>	<u>FINANCE & INVESTMENT COMMITTEE</u>	<u>REVIEWED BY</u>
<u>Date Approved</u>	<u>Reason for Revision</u>	<u>F&I Committee 141217</u> <u>Trust Executive Group 041217</u>
<u>27 Mar 2018</u>	<u>Approved by Board of Directors including:</u> <u>4.1 – Membership: role replacement</u>	

Author: Trust Secretary
Board Approved: 27 March 2018
Date of Next Review: March 2019

FINANCE & INVESTMENT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

- 1.1 The Finance and Investment Committee [the Committee] will undertake objective scrutiny and provide assurances to the Audit Committee and the Board of Directors [the Board] on the Trust's financial strategy, risks and mitigations, performance and plans in relation to the financial implications and analysis of investment policy and major investment decisions.

2. CONSTITUTION

- 2.1 The Committee is constituted as a standing Committee of the Board.
- 2.3 As a committee of the Board, the Standing Orders, including the Scheme of Powers Delegated and Reserved to the Board, and the Standing Financial Instructions (SO/SFIs) of the Trust will apply to the conduct of the working of the Finance & Investment Committee.

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3. RELATIONSHIPS

- 3.1 The Committee will seek the views of Executive Directors, senior managers, management groups, Internal and external Audit as required to inform its scrutiny.
- 3.2 The Committee may establish sub-committees or working groups to support its function as required.

4. MEMBERSHIP

- 4.1 The membership of the Committee will comprise:
- A minimum of three Non-Executive Directors, excluding the Audit Committee Chairperson, one of whom will be appointed by the Board as

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the Committee Chairman, and one being the Chairman of the Quality Committee ~~who will Chair the meeting in the absence of the appointed Finance and Investment Committee Chairman.~~

- Chief Executive
- Executive Director of Finance
- Associate Director of ~~Planning and Business~~ Development

N.B. The Chairpersons of the Quality and Finance and Investment Committees are each members of the other Committee, to support alignment and cross-reference of key business.

4.2 The following are also required to be in attendance:

- Deputy Director of Finance
- Associate Director Performance Assurance & Risk

4.3 Other personnel may be invited to attend as necessary to support the discussion of specific agenda items.

4.4 Members are expected to attend all meetings. If unavailable, a deputy may be nominated with prior agreement of the Committee Chairman.

4.5 Other Board members and senior managers may attend the Committee as an observer to support the delivery of their roles, with prior agreement of the Committee Chairman.

5. AUTHORITY

5.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and to make decisions on issues and developments within its terms of reference on behalf of the Board, subject to Standing Orders and Standing Financial Instructions. Any decisions of the Committee will be taken on a majority basis. The Committee Chairman will have a casting vote in the event of equality of voting.

5.2 The Committee has delegated authority from the Board for oversight and assurance in relation to key organisational risks related to the activities of the Committee as indicated in the Trust Board Assurance Framework and the Corporate Risk Register, and agreed by the Audit Committee.

- 5.3 The Committee is authorised to seek external legal or professional advice as appropriate to support its function subject to Standing Orders and SFIs.

6. RESPONSIBILITIES

Financial Policy, Management and Reporting

- 6.1 To consider the Trust's financial and investment/disinvestment strategies in relation to both revenue and capital.
- 6.2 To review the setting of annual budgets including the capital programme.
- 6.3 To monitor in-year financial performance and in particular to scrutinise any significant variances from budget, either current or forecasted.
- 6.4 To provide opportunity for critical review of business cases and tenders prior to formal approval by the Board.

Investment Policy, Management and Reporting

- 6.6 To approve and keep under review the Trust's Treasury Management Policy.
- 6.7 To receive and consider Trust Business and Investment Plans in line with Standing Orders and SFIs.
- 6.8 To review and make recommendations to the Board about any commercial or investment activity e.g. proposed joint ventures or partnerships, in line with the Trust's Collaboration Policy.
- 6.9 To monitor compliance with treasury procedures.

Other Duties

- 6.10 To monitor and make recommendations to the Board as necessary on the adequacy of the Trust's financial performance reporting.
- 6.11 To review progress and mitigation of key risks in relation to delivery of the Trust's CQUIN and other contractual requirements.

- 6.12 To review progress and key risks in relation to delivery of the Trust Cost Improvement Programme (CIP).
- 6.13 To make arrangements as necessary, to ensure that all members of the Board and senior officers of the Trust are provided with an appropriate level of knowledge of key financial issues affecting the Trust.
- 6.14 To examine any other matter referred to the Committee by the Board.
- 6.15 To review performance indicators relevant to the remit of the Committee.
- 6.16 To scrutinise key financial risks and mitigations for the organisation.
- 6.17 To review relevant internal and external reports, reviews and guidance, in order to support the development of Service Line Management (SLM) within the Trust.
- 6.18 To scrutinise and obtain assurance as to the effective management of key risks and mitigations relating to the remit of the Committee and to report to the Audit Committee and provide assurance to the Board on the adequacy of control and mitigation against such risks.
- 6.19 To make recommendations to the Audit Committee concerning the annual programme of Internal Audit work and to work with the Audit Committee to ensure effective scrutiny of the risks and systems of internal control related to matters of finance and commercial activity.

7. ATTENDANCE

- 7.1 The members of the Committee are expected to attend each meeting unless prior agreement is obtained from the Committee Chairman.
- 7.2 The Director of Finance is the Executive Director lead. Other members of the Board will be entitled to attend and to receive papers to be considered by the Committee.
- 7.3 Other managers/staff may be invited to attend meetings depending upon issues under consideration.
- 7.4 A quorum will be three members, which will include two Non-Executive Directors and one of the members of the Trust Executive Group.

- 7.5 Committee attendance will be recorded by the Committee Services Manager and this information will be passed to the Committee Chairman for review.
- 7.6 In the event of either the Finance & Investment Committee or Quality Committee Chairman being unavailable to chair the Committee, the third Non-Executive Director will deputise.

8. REPORTING

- 8.1 The Committee Chairman will report to the Board following each meeting and approved minutes of the Committee will be circulated to all Board members for information.
- 8.2 The Committee Chairman will draw to the attention of the Board any issues which require disclosure to the full Board, including those that affect the financial or commercial strategies of the Trust or require executive action.
- 8.3 To report to the Audit Committee and provide assurance to the Board on the adequacy of control and mitigation against such risks.
- 8.4 The Committee Chairman will also provide a report to each meeting of the Audit Committee, focussed on the management of key risks within its terms of reference.

9. ADMINISTRATION

- 9.1 The PA to the Director of Finance will support the administrative function of the Committee, including:
- Agreement of the Agenda with the Committee Chairman and attendees and collation of papers.
 - Ensuring support for minute taking and for tracking of actions and issues to be taken forward.
 - Advising the Committee on pertinent areas of an administrative nature.
- 9.2 The Trust Secretary will, upon request, provide advice and support to the Committee Chairman and Committee members.

10. FREQUENCY

- 10.1 The Committee will meet quarterly.
- 10.2 Additional meetings will be convened by the Committee Chairman or Trust Chairman as necessary. The Committee Chairman will ensure that, if an additional meeting(s) are held virtually, these must be recorded and the minutes reviewed and approved by the Board.

11. MONITORING AND REVIEW

- 11.1 The Committee will review its compliance with these terms of reference through its annual report to the Board and annual self-evaluation workshop.
- 11.2 The Terms of Reference of the Committee will be reviewed by the Committee and submitted for approval by the Board at least annually.

Author:	Trust Secretary
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