

**FINANCE AND INVESTMENT COMMITTEE  
 TERMS OF REFERENCE**

<p><b>Committee Status</b></p>	<p>The Finance and Investment Committee (“the Committee”) is a sub-committee of the Board of Directors.</p> <p>It is authorised to investigate any matter within its terms of reference and to demand the resources to do so. It also has the right of access to all information that it deems relevant to fulfil its duties.</p> <p>The Committee is empowered to obtain external professional advice and to invite external consultants with relevant experience to attend if necessary.</p> <p>The Committee has delegated powers to approve expenditure and investment as approved by the Board from time to time and as set out in the Trust’s investment strategy.</p> <p>Where the Committee has evidence of ultra vires transactions or evidence of improper acts, the Committee Chair must raise this at a full meeting of the Trust Board. Exceptionally the matter may need to be referred to the Chief Financial Officer for notification to the appropriate regulatory body (e.g. Monitor).</p> <p>The Committee is distinct and separate from the Audit Committee and as such, will minimise areas of possible overlap.</p>
<p><b>Reporting to</b></p>	<p>The Committee is accountable to the Board of Directors and the Committee Chair will report regularly on the Committee’s proceedings.</p> <p>The minutes of Committee meetings shall be formally recorded and made available to the Board of Directors.</p> <p>Any issues relating to Monitor’s Terms of Authorisation will be reported to the Board.</p>
<p><b>Purpose</b></p>	<p>The purpose of the Committee is to provide the Board with an objective review of the financial position of the Trust and oversee the delivery of financial performance, including taking any decisions delegated to it.</p> <p>The Committee will operate at a strategic level as the Executive is responsible for the day to day operational delivery and management.</p>

<b>Membership</b>	<p>The Committee shall be appointed by the Board of Directors and shall consist of at least six members made up as follows:</p> <p>One of the Non-executive Directors will chair the meeting (but not the Chair of the Audit Committee)</p> <p>Three further Non-executive Directors.</p> <p>Chief Operating Officer.</p> <p>Chief Financial Officer.</p> <p>Members will be expected to attend at least 75% of meetings per annum.</p>
<b>Attendees</b>	<p>The Chairman and Chief Executive shall attend when required to do so.</p> <p>Other Trust Executive Directors, officers and / or Clinical Unit Directors will attend as required by the Committee to answer for the performance of their area or for the performance of specific projects.</p> <p>Finance staff may be required to attend to advise and support the Committee.</p> <p>The Trust Secretary or nominee will attend all meetings, to ensure coordination of Board committees.</p> <p>Meetings are not open to the public or Governors</p>
<b>Quorum</b>	<p>A quorum shall be made up of three members comprising at least two Non-executive Directors and one Executive Director.</p> <p>No business should be conducted unless a quorum is present.</p>
<b>Frequency of Meetings</b>	<p>Meetings shall usually be held 4 times per year, and more frequently should circumstances require.</p>
<b>Meeting administration</b>	<p>Notice of meetings will be given at least seven working days in advance unless members agree otherwise.</p> <p>The agenda shall be determined by the Chair in consultation with the Chief Financial Officer.</p> <p>Items for inclusion on the agenda shall be submitted to the Chair at least 7 working days prior to the meeting.</p> <p>The agenda and papers will normally be circulated five working days prior to the meeting.</p> <p>The Trust Secretary, or their nominee, shall record the minutes of meetings.</p>
<b>Committee's Duties</b>	<p>The duties of the Committee can be categorised as follows:</p> <ol style="list-style-type: none"> <li>1. <b>Financial Strategy and Policy:</b> : <ul style="list-style-type: none"> <li>- Review both the Trust's own annual business plans and Monitor's</li> </ul> </li> </ol>

Approved by Board of Directors on 25 March 2015

	<p>Annual Plan prior to submission to the Board for approval;</p> <ul style="list-style-type: none"> <li>- Review, at least annually, the Trust 5 year financial strategy.</li> </ul> <p><b>2 Financial Investment and Commercial Interests</b></p> <ul style="list-style-type: none"> <li>- Ensure that there is robust appraisal around business case development and delivery and review a selection of post implementation appraisals.</li> <li>- Where the approval process for business cases so determines, recommend to the Board for approval schemes with contract values as set out in the Scheme of Delegation.</li> <li>- Where necessary monitor delivery of approved investment projects against agreed outcomes and benefits, ensuring action is taken to address any shortcomings.</li> <li>- Approve investment and expenditure on behalf of the Board as delegated to it from time to time.</li> </ul> <p><b>3 Financial Management</b></p> <ul style="list-style-type: none"> <li>- Review monthly financial performance against income, expenditure and capital budgets,</li> <li>- Review progress against efficiency programmes and consider the appropriateness of any proposed corrective action.</li> <li>- Regularly review cash flow forecasts and the adequacy of funding sources</li> <li>- Review all significant financial risks, including the Monitor Risk Rating, in the light of overall financial performance.</li> <li>- Receive assurance on the robustness of the Trust's key income sources.</li> </ul> <p><b>4 Contract Management</b></p> <ul style="list-style-type: none"> <li>- Ensure effective financial planning mechanisms are in place with CCGs to agree annual (or longer term) contracts.</li> <li>- Review financial and activity performance and ensure any corrective action is taken.</li> </ul> <p><b>5 Financial Reporting</b></p> <ul style="list-style-type: none"> <li>- Annually, review the production and format of reports, to ensure that they continue to meet requirements.</li> </ul> <p><b>6 Financial Acumen</b></p> <ul style="list-style-type: none"> <li>- To promote a culture in which financial awareness is valued and encouraged amongst all stakeholders, skills are developed to ensure regular and wide consideration of financial issues and financial information is shared openly and honestly</li> </ul>
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	<p><b>7 Financial Policies and Procedures</b></p> <ul style="list-style-type: none"> <li>- Ensure the Trust operates a comprehensive budgetary control and reporting framework (but acknowledging that the Audit Committee is responsible for systems of financial control).</li> </ul> <p><b>8 Covenant compliance</b></p> <ul style="list-style-type: none"> <li>- Ensure effective compliance reporting is in place in respect of any loan covenants or other requirements relating to borrowed funds.</li> </ul>
<p><b>Monitoring and review</b></p>	<p>The Committee's Terms of Reference, including membership, will be subject to annual review.</p> <p>The Committee will undertake an annual review of its performance, via self-assessment by its members and this will be reported, together with any agreed actions, to the Board of Directors.</p>