

Finance Committee

Terms of Reference

Agreed by the Trust Board on the 18th December 2008

To be reviewed in January 2010

West Hertfordshire NHS Trust

Finance Committee

Terms of Reference

1. Constitution

The Finance Committee is a standing committee of the Trust Board. Its constitution and terms of reference are as set out below. Any amendment is subject to approval by the Trust Board.

2. Purpose

The Finance Committee shall make recommendations to the Trust Board about those matters detailed below in Section 8, and the effectiveness of related delivery.

3. Membership

A Non Executive Director, who may be the Chairman of the Trust, will chair the Committee. Membership will comprise two further Non Executive Directors, the Chief Executive, the Director of Finance and the Director of Delivery. A quorum will be 3 members, at least one of whom is a Non Executive Director.

4. Attendance

The Director of Finance will be the Executive Director lead. All other Directors are entitled to attend and to receive papers of the Finance Committee.

The Director of Corporate Affairs will arrange for secretariat services to be provided to each Committee meeting.

5. Frequency of meetings

The Finance Committee will meet five times a year, with additional meetings as deemed necessary.

The business of the committee will follow the annual planning cycle with other topics being added as agreed with the Chair of the Committee.

6. Reporting

The Minutes of each meeting will be recorded formally and submitted to the Trust Board.

7. Review

The Trust Board will review the Terms of Reference no less than annually.

8. Duties

- To consider the Trust's strategic financial plans, eg as set out in the Medium Term Financial Plan and the Long Term Financial Model, to assess whether they will achieve financial viability..
- To review the strategic parameters for the annual budget.
- To maintain an oversight of, and receive assurances from the Director of Finance and the Director for Partnerships on, the robustness of the Trust's key income sources and contractual conditions.
- To commission and receive the results of reviews of key strategic financial/policy issues affecting the Trust's ability to achieve financial viability and to assess downside and upside scenarios
- To assess financial risks and risk management arrangements.
- To maintain a review of the Trust's liquidity and investment strategy and policy.
- To maintain an oversight of the Trust's investments, ensuring compliance with the Trust's policy and the requirements of Monitor.
- To monitor the effectiveness of the Trust's financial performance reporting and, where appropriate, make recommendations to the Trust Board.
- To examine any other matter referred to the Committee by the Trust Board
- To ensure that all Trust Board members have an appropriate level of knowledge and understanding of policy and financial issues that impact on financial viability..
- To review progress on significant business cases
- To consider financial management developments within the Trust, eg Service Line Reporting, and the use made of the information these generate

January 2010

