

West Hertfordshire NHS Trust

Finance Committee

Terms of Reference – draft with suggested amendments 16 March 2012

1. Constitution

The Finance Committee is a sub 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 Company Secretary 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 and shape the Trust's financial strategy and its strategic financial plans to ensure long term financial viability
- To review current financial performance and any remedial actions needed to deliver the agreed financial plan
- To assess the impact of key policy changes and ensure these are addressed in the Trust's financial plans
- To assess financial risks and risk management arrangements
- To oversee the Trust's treasury and cash management arrangements and liquidity so that appropriate levels of cash and liquidity can be achieved to meet best practice requirements
- To review the effectiveness of the Trust's financial performance reporting arrangements and recommend any changes to the Board
- To approve business cases for investment as outlined in the Trust's SFIs
- To oversee the development and utilisation of SLR information and the transition to SLM
- To review annual savings programmes, ensure sound governance arrangements are in place, monitor progress in delivering agreed savings and any remedial action taken to deal with variances
- To review spending against the capital programme and ensure that there is robust control of expenditure and of variations to the agreed plan
- To review the realisation of benefits from agreed investment