

## FINANCE AND INVESTMENT COMMITTEE Terms of Reference

### 1 AIM

The Finance and Investment Committee will scrutinise and provide oversight of financial planning (both short term and in relation to longer term sustainability), and performance, review any areas of financial concern, and report to the Board. It will conduct detailed scrutiny of major business cases and proposed investment decisions on behalf of the Board and will oversee major projects and regularly review contracts with key partners.

### 2 OBJECTIVES

- 2.1 To review the annual budget, before submission to the Trust Board of Directors.
- 2.2 To review the capital budget, before submission to the Trust Board of Directors and review progress against it.
- 2.3 To consider and keep under review the Trust's medium term financial strategy, in relation to both revenue and capital and risk.
- 2.4 To review proposals for major business cases and investment decisions and their respective funding sources and make recommendations to the Trust Board, in accordance with Monitor Guidance.
- 2.5 To maintain an oversight of, and obtain assurances on, the robustness of the Trust's key income sources and contractual safeguards.
- 2.6 To scrutinise financial performance and review any areas of concern and report to the Board.
- 2.7 To review and make submissions to Monitor as necessary on behalf of the Board.
- 2.8 To scrutinise the systems and controls around the development and delivery of the Trust's five year productivity programme, providing assurance to the Board on the effectiveness of those controls.

2.9. To review major procurements and tenders

2.109 To commission regular reviews of the Trust's key contracts with suppliers

and partners (including Prime/ISS, Dalkia, Staffing Agencies, BMI, and RMH) to ensure they continue to deliver benefits for the Trust and its patients.

~~To commission regular reviews of the Trust's key contracts with partners and others – including Prime/ISS, Dalkia, BMI, and RMH – to ensure they continue to deliver benefits for patients.~~

2.110 To approve and review the Trust's treasury management and working capital policy annually or as required.

2.142 To review and monitor progress against the capital plan through highlight reports and project plans.

2.123 To review the financial ~~aspects of~~ aspects of the Estates ~~Strategy~~ Strategy ~~and ensure that that appropriate funding arrangements are in place.~~ and utilisation of the strategy.

2.143 To be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any independent consultants who advise the Committee. Where consultants are appointed, a statement as to whether consultants have any other connection with the Trust will be available.

2.145 To approve and review, on behalf of the Trust Board, the Trust's investment strategy and policy and maintain an oversight of the Trust's investments, ensuring compliance with the policy, by:

- establishing the overall methodology, processes and controls which govern investments, including prioritisation of investment decisions;
- ensuring that robust processes are followed; and
- evaluating, scrutinising and monitoring investments.

### 3 COMMUNICATION

To report after each meeting to the Trust Board

### 4 PERMANENCY

Permanent - subject to annual review

### 5 MEMBERSHIP

#### 5.1 Chair

A Non-Executive Director to be appointed by the Chairman.

## 5.2 Internal (executive) lead

Director of Finance

## 5.3 Other Members

- 2 Non Executive Directors – one to be a member of the Audit Committee but not the Chair of the Audit Committee
- ~~Deputy~~ Chief Executive
- Chief Operating Officer
- ~~Director of Productivity & Innovation~~

~~Chief Executive and~~ The Company Secretary will attend for discussions about Monitor requirements and submissions made by the Committee on behalf of the Board.

The Director of Strategic Development will attend where strategic plans and new initiatives are being specifically considered

## 6 QUORUM

- One Non Executive
- Finance Director or nominated deputy
- Either ~~the Deputy Chief Executive or~~ the Chief Executive and if not available another deputising Executive Director

## 7 ATTENDANCE

Members to aim to attend 100% of meetings.

## 8 PAPERS

Distributed ~~five~~two full working days prior to meeting

Papers will be shared with Internal Audit.

## 9 FREQUENCY OF MEETINGS

Normally twelve times a year, scheduled to enable the Committee to advise the Board on budgets, financial performance, and quarterly monitoring, and cover those months when the Board itself does not meet.

## 10 REPORTING LINES

| Trust Board.

## 11 ACCOUNTABLE TO

| Trust Board.

## 12 SECRETARIAT

| ~~PA to Director of Finance~~ Deputy Director of Finance

## 13 OPENNESS

Minutes to be published except where individual items are commercially confidential

## 14 EFFECTIVENESS

The effectiveness of the Committee will be measured by

- Annual audit of attendance
- Annual review of delivery of objectives as outlined in the Terms of Reference submitted to the Audit Committee.

## 15 REVIEW OF TERMS OF REFERENCE

These terms of reference will be reviewed annually or sooner if required and approved by the Board.

## 16 MONITORING

Annual review of delivery of objectives as outlined in the Terms of Reference submitted to the Audit Committee

| **Date approved** ~~November~~ July 2015<sup>4</sup>

| **Approved by** Trust Board

| **Next Review Due** ~~March~~ January 2016<sup>5</sup>