

	<p style="text-align: center;"> North East Ambulance Service  NHS Foundation Trust </p>
<h2>Terms of Reference</h2>	
<p>Title:</p>	<p>Finance Committee</p>
<p>Approving Body: Date Approved:</p>	<p>Board of Directors April 2015</p>
<p>Next review date:</p>	<p>April 2016</p>
<p>1.0 Purpose:</p>	<p>The overall role of the Committee is to maintain robust financial management by monitoring financial performance and making recommendations to the Trust Board as appropriate.</p> <p>The purpose of the Committee is to provide the Board with an independent and objective review of, and assurances, in relation to:</p> <ul style="list-style-type: none"> • Significant financial risks which may impact upon the delivery of the strategy and the financial viability and sustainability of the Trust. • Governance processes for all major investments and divestments in accordance with Monitor Guidance as delegated by the Board of Directors; • Business cases referred to it by the Board for major investment in excess of the following delegated limits: <ul style="list-style-type: none"> ○ Capital >£1m ○ Non-Recurrent Revenue >£1m ○ Recurrent Revenue >£500K • Financial management- detailed scrutiny of the monthly finance report and quarterly Monitor returns, including progress against the capital programme and taking assurance on the progress of the Trust's Cost Improvement Programme (CIP). • Financial planning- Detailed scrutiny of the financial plan (one year operational and three year Forward Plan) prior to approval by the Trust Board. • Financial Services- agreement of the Treasury management plan, including cash and liquidity. • Growth/ business opportunity proposals, ensuring their alignment with Board approved corporate strategy via assurance from the Commercial Development Group. • Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope. • Maintenance of Financial Policies.
<p>2.0 Membership:</p>	<p> Non Executive Director (Chair) Non Executive Director (Vice Chair) Director of Finance & Resources (Exec Lead) Chief Executive Chairman (Ex Officio) Director of Strategy, Transformation and Workforce Deputy Director of Strategy, Transformation and Workforce </p>

3.0 Attendees:	<p>Head of Financial Management Head of Financial Development Head of Financial Services</p> <p>Other Trust Directors or Senior Managers or appropriate representatives from internal and external bodies, may be invited to attend all or part of any meeting as and when appropriate at the Chair's discretion (see section 12 below).</p>
4.0 Deputies:	At the discretion of the Committee Chairman (see 'Attendance')
5.0 Chair:	Jeff Fitzpatrick, Non-Executive Director
6.0 Vice Chair:	Catherine Young, Non-Executive Director
7.0 Quorum:	Four members; one of whom must be a Non-Executive Director
8.0 Secretary:	PA to the Deputy Director of Strategy, Transformation and Workforce
0.0 Frequency of meetings:	Monthly
10.0 Rules as to meetings & proceedings:	
10.1 Notice of meetings:	<p>To be called by the Secretary at the request of the Chairman</p> <p>Standing Orders and Standing Financial Instructions of the Trust as they apply to formally constituted Committees. As such, members of this Committee may requisition a meeting in writing in line with Standing Orders, Section 3.</p> <p>Unless otherwise stated, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, no later than 3 working days before the date of the meeting; save exceptional circumstances.</p>
10.2 Minutes:	<p>The Secretary shall ensure the minutes of the proceedings and resolutions, including recording the names of those present and in attendance, are taken and transcribed.</p> <p>Minutes shall be circulated within 5 working days to all members and, once agreed, to all members of the Board.</p> <p>The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board or require Board Action.</p>
10.3. Resources:	The Committee shall be provided with sufficient resources to undertake its duties and have access to the Secretary on all committee matters including assisting the Chairman in planning the work-programme, preparing meeting agenda, maintenance of minutes, collection and distribution of information.
11.0 Attendance at meetings:	Members of the Finance Committee should aim to attend all scheduled meetings, but no fewer than 75%.

<p>12.0 Authority/Tolerances:</p>	<p>The Finance Committee is constituted as a sub-committee of the Foundation Trust's Board of Directors. Its constitution and terms of reference shall be as set out below, subject to amendment at future Board of Directors' meetings. The Finance committee shall not have executive powers in addition to those delegated in these terms of reference.</p> <p>The Finance Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any relevant trust manager or member of staff and all members of staff and managers are directed to co-operate with any request made by the Finance Committee.</p> <p>The Finance Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice. The Committee is authorised by the Board of Directors to request the attendance of individuals and organisations from outside the Foundation Trust with relevant experience and expertise if it considers this necessary or expedient in carrying out its functions.</p>
<p>13.0 Duties:</p>	<p>General duties</p> <p>The duties of the Committee are set out in a detailed work plan which is set out in advance of the commencement of the financial year and monitored at each meeting.</p> <p>Monitor and seek assurance over the effective management of significant financial risks which may impact upon the delivery of the strategy and the Trust's financial viability / sustainability. Reviewing the assigned Board Assurance Framework risks are key to undertaking this duty.</p> <p>Agree and review those strategies relevant to its remit, ensuring their alignment with the Trust's vision and strategic direction and provide assurance to the Board on their ongoing development and delivery. These include but are not limited to:</p> <ul style="list-style-type: none"> ○ Financial Strategy ○ Commercial Development Strategy ○ Treasury Management ○ Estates Strategy ○ Procurement Strategy <p>Ratify those underpinning policies and procedure, guidelines, protocols and plans to support delivery of agreed strategy. Monitor compliance with the policies – this may be undertaken through the sub-groups with assurance being provided to the Committee through the assurance and escalation reports.</p> <p>Approve the Terms of Reference and membership of its supporting sub-groups and oversee the work of those groups, including work-programmes to ensure these contribute to Trust objectives</p>

Major investments/divestments and business opportunities

Providing the Board with an objective review and assurances in relation to major investments/ divestments as classified by Monitor and business cases referred to it by the Board under delegated authority.

Appraise on behalf of the Board **new business initiatives** that are classified by Monitor as 'high risk' (see '13.2'); and/or where the income attributable to assets or contract is £5m or more; providing assurance that these are viable and in line with the Trust's vision, mission and values.

Approve those other **business and tendering opportunities** and initiatives below the £5m threshold, as appropriate and after due evaluation, scrutiny and process

Confirm and provide assurance that the Trust has the **legal power to make any proposed investment**

Direct management on further work to be undertaken before **major business proposals** are submitted to the Board for consideration and/or approval

Review of the annual **commercial and marketing plans** and any associated risks to achievement.

Financial Management

To agree **Financial Key Performance Indicators** and to monitor their delivery against Trust activity contracts, highlighting areas of concern that should be brought to the Trust Board's attention.

Review and scrutiny of the **monthly finance report** including actual versus budget, reasons for significant variations and forecast outturn (for example from June report presented in July).

Review and scrutiny of the **monthly capital report** including actual to date, reasons for significant variations and forecast outturn (for example from June report presented in July).

Review and scrutiny of the monthly **rolling 12 month cash forecast**.

Undertake a monthly review of progress against the **Trust's CIP programme** (for example from June report presented in July). This should include the performance of major transformation projects and directorates on a cyclical deep dive basis.

To monitor the Trust's **financial risk profile** and advise the Board of financial risk as arising. This includes reviewing the **quarterly returns** to Monitor.

Escalating any **issues of concern** as appropriate to the Trust Board for action.

Financial Plan

Reviewing on behalf of the Trust Board on an annual basis the Trust's **Financial Strategy and Annual Plan** (incorporating the 1 year operational plan and 3 year Forward Plan).

Monitoring that the Financial Plan has been formulated in accordance with Monitor Pricing and financial planning assumptions and guidance and reflects the outcome of contract negotiations.

Monitoring the progress against **contract negotiations** from commencement of those negotiations (anticipated January to March).

Providing the Board with an **objective review and assurances, in relation to the financial plan** and ensuring the Trust maintains cash liquidity and is an effective going concern.

Financial Services

Reviewing on behalf of the Trust Board on an annual basis the Trust's **Treasury Management Strategy**.

Monitoring in year progress against the Trust's **Treasury Management Plan and cash position**. Providing the Board with an objective review and assurance in relation to the **effectiveness of investments and financing** and that the Treasury Management policy objectives are being followed. In particular ratify any updates to the Treasury Management policy.

Seeking assurance that safeguards are in place for the **security of funds**.

Quarterly review of the Trust's **Procurement workplan** including lessons learnt and a six monthly review of new procurement legislation.

14.0 Standing Agenda Items

• **Every meeting:**

- Apologies
- Minutes of Last Meeting
- Matters Arising
- Major investments/ disinvestments/ business opportunities
- Financial Management report
- Board Assurance Framework: review of assigned risks
- Review of contract performance and related issues
- Policies for ratification
- Summary of Assurances and Sub-Group Meetings and Minutes:
Commercial Development Group
Transformation Board
Environmental Management Working Group
- Identification of Risks Emerging from business transacted
- Cycle of Business- forward look to next meeting.

• **Ad hoc / Periodic:**

- Quarterly review of possible exceptions to in-year submissions to Monitor
- Quarterly Treasury Management update
- Quarterly Procurement update
- Quarterly review of Opportunities Log – Commercial Development and Commercial Services

<ul style="list-style-type: none"> • Annually: 	<ul style="list-style-type: none"> • Preparation and approval of Committee Cycle of Business Review of Strategies and Policies (relevant to remit of the Committee) • Agree Financial Strategy and Financial Documents (for approval by the Board) • Commercial Development Group – Commercial Plan, Marketing Plan and Risks Assessment of Contracts • Cost Improvement Programme • Internal Audit Plan Recommendations (for inclusion) • Review of Committee Effectiveness (see ‘Self-Assessment’) – Committee and Sub-Groups • Review of Terms of Reference and Committee membership – Committee and Sub Groups
<p>Sub Groups</p>	<p>Commercial Development Group Transformation Board Environmental Management Working Group</p>
<p>Accountability:</p>	<p>Board of Directors</p>
<p>Reporting responsibilities:</p>	<p>The Chair of the Committee shall be responsible for its operation and will ensure that key and appropriate issues are discussed in a timely manner.</p> <p>Following each meeting, the Chair of the Committee shall provide an assurance report to the Board at its next meeting, highlighting salient and significant issues that require disclosure.</p> <p>The Chair is responsible for ensuring that reports to the Board are provided in a timely manner and that any actions, recommendations and outcomes are carried out</p> <p>The Minutes of the Committee will be formally presented to the Trust Board for review.</p> <p>The Committee shall make recommendations to the Audit Committee annually concerning the annual programme of Internal Audit work to the extent that it applies to matters that fall within these Terms of Reference</p> <p>The Chair will provide a copy of the Annual Review report on the effectiveness of its work and findings, to the Audit Committee. This will assist the Committee in discharging its responsibilities for providing assurance to the Board of Directors in relation to all aspects of governance, risk management and internal control</p>
<p>Risks:</p>	<p>The Committee shall identify all emerging risks from the business transacted at each of its meetings and ensure that any significant risks are brought to the attention of the Executive for inclusion on the Organisational Risk Register and the Board for inclusion on the Board Assurance Framework as appropriate.</p>
<p>Self-Assessment:</p>	<p>The Committee shall review its performance annually against its Terms of Reference and prepare a report on its effectiveness to the Trust Board reflecting on its work and in particular the assurances it has sought, received and then in turn given to the Board of Directors in relation to the scope of its Terms of Reference.</p>

These terms of reference are available publicly on the Trust’s website and will be reviewed and refreshed on an annual basis.