

## Board Finance and Performance Committee Terms of Reference

### 1. PURPOSE

The purpose of the North West Hospital and Health Board Finance and Performance Committee ('the Committee') is to advise the Board on matters pertaining to the financial and operational performance of the North West Hospital and Health Service (NWHHS). It will do this by fulfilling its functions as an oversight Committee. In this respect, the Committee will:

- Set the strategic financial direction;
- Monitor financial sustainability, financial frameworks, and financial compliance improvements;
- Assess financial risks and operational risks which may impact on financial performance;
- Advise and make any recommendations to the Board.

### 2. AUTHORITY

Schedule 1, Section 8(1)(b) of the *Hospital and Health Boards Act 2011* (the Act) provides that the Board must establish the committees prescribed by regulation.

A Finance Committee is a committee prescribed at Section 31(1)(b) of the *Hospital and Health Boards Regulation 2012* (the Regulation). The Committee reports to the North West Hospital and Health Board. The Committee has no executive powers and is an advisory Committee of the Board.

The Committee has an oversight role and does not replace management's primary responsibilities for the financial management, sustainability or governance of the service generally.

### 3. FUNCTIONS

The Terms of Reference have regard to:

- The regulatory requirements outlined in Regulation (Section 33); and
- Additional ongoing requirements that have been identified.

#### **Prescribed by Regulation:**

- advising the board about the matters stated in paragraphs (b) to (g);
- assessing the Service's budgets and ensuring the budgets are—
  - consistent with the organisational objectives of the Service; and
  - appropriate having regard to the Service's funding;
- monitoring the Service's cash flow, having regard to the revenue and expenditure of the Service;
- monitoring the financial and operating performance of the Service;
- monitoring the adequacy of the Service's financial systems, having regard to its operational requirements and obligations under the [Financial Accountability Act 2009](#);
- assessing financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of the Service, and how the Service is managing the risks or concerns;

*Examples of financial risks or concerns for paragraph (f)—*

*\* the accuracy of the valuation of fixed assets*

*\* the adequacy of financial reserves*

- assessing the Service's complex or unusual financial transactions;

- h) any other function given to the committee by the Service's Board, if the function is not inconsistent with a function mentioned in paragraphs (a) to (g).

*Examples of functions for paragraph (h)—*

*\* performance and resource management functions*

#### **Additional ongoing requirements that have been identified:**

- a) all requests for funds/funding to be reviewed and considered prior to escalation to the Board;
- b) endorsement of capital budget;
- c) oversight of Service Agreement negotiation and finalisation;
- d) review of major infrastructure projects;
- e) review of asset management plan, major leases and accommodation strategy;
- f) reviewing financial projections and strategic implications for the NWHHS;
- g) reviewing financial policies;
- h) reviewing and endorsing financial delegations; and
- i) analysing the financial impact of workforce strategies.

## **4. GUIDING PRINCIPLES**

When deliberating, the Committee must recognise, adhere to and be guided by the principles set out in the *Hospital and Health Boards Act 2011*, *Hospital and Health Boards Regulation 2012*, *Public Sector Act 2008* and the *Financial Accountability Act 2009*.

The relevant principles are contained in the attached **Schedule 1**.

### **Decision Making**

The Committee has no executive powers or decision-making authority in relation to the operations of the NWHHS. The Committee's role is advisory only and will make recommendations to the Board for decisions through endorsement.

### **RESOLUTIONS**

- Resolutions on recommendations are made by a majority of votes. Each member present at a meeting has a vote and if the votes are equal the member presiding has a casting vote. Members participating in a meeting by use of technology such as teleconferencing are taken to be present at the meeting.
- A resolution is validly made by the Committee, even if it is not passed at a meeting if:
  - a) a majority of the Committee Members gives written agreement to the resolution; and
  - b) notice of the resolution is given under procedures approved by the Committee.

The Chair of the Committee reserves the right to escalate any matter to the Board. Where the matter for consideration is beyond the authorised functions of the Committee, the Committee must refer the matter to another committee of the Board if the Committee resolve that the matter falls within the functions of another Board Committee; or directly to the Board.

## **5. MEMBERSHIP**

Membership eligibility and tenure will be determined and approved by the Board. The Chair of the Committee must be a member of the Board.

Membership of the Finance Committee will generally be reviewed on a two-yearly basis and /or when terms of appointments for board members expire however, the Board has discretion to review membership at any time.

If the Chair is absent from a meeting or vacates the Chair at a meeting, the Committee shall choose a member to preside as Acting Chair.

Members, may be members of the Hospital and Health Service or, where the necessary skills do not exist on the Hospital and Health Service, the Board may appoint an external member to the committee.

**Non-Voting Members:** External Members, Health Service Chief Executive (HSCE) and Chief Finance Officer (CFO).

**Note** it is expected that the Chief Finance Officer will:

- liaise closely with the committee in relation to financial issues.
- ensure that all relevant financial issues and proposals are placed on the committee's agenda;
- report on financial outcomes affecting or that could affect the NWHHS.
- liaise closely with the committee in relation to infrastructure issues.
- ensure that all relevant infrastructure issues and proposals are placed on the committee's agenda; and
- report on infrastructure issues affecting or that could affect the NWHHS.

**Proxies:** Proxies are not permitted if a member is unable to attend.

The Chair of the North West Hospital and Health Board is an ex officio Member of the Committee.

## 6. REMOVAL OF COMMITTEE MEMBERS

A Member may, by written notice, be removed from the Committee by the Board; if the Board considers the removal is in the best interests of the NWHHS.

## 7. OTHER PARTICIPANTS

The Chair from time to time may invite other board members, individuals, or groups to present to, or observe, meetings of the Committee. Where agreed by the Chair, members may invite guests to attend meetings to provide expert advice and support to a specific topic raised. A guest's attendance is limited to the duration of discussion on that specific topic.

Observers and guests do not have authority to make determinations in respect of the Committee deliberations.

## 9. COMMITTEES

The Chair of the Committee has the authority to create relevant sub-committees or other subordinate bodies deemed necessary to assist the committee in discharging its responsibilities.

## 10. REPORTING

The Committee **receives** the following reports for consideration prior to **escalation** to the Board (as determined by the Committee at the meeting):

Quarterly		
Report	Description	Responsibility
Capital Infrastructure Report	Update and summary on major capital infrastructure development	CFO
Financial Management Report	Analysis of budget, forecast, cash management and relevant strategies.	CFO
Service Agreement Update	Summary of negotiation and update on Service Agreement	CFO
Financial Risk Report	Analysis of financial risks and mitigating strategies.	CFO

Annually		
Report	Description	Responsibility
Budget Principles	Recommendation to Board	CFO
Operational Budget	Recommendation to Board	CFO
Capital Budget	Recommendation to Board	CFO
Financial Delegations Framework	Recommendation to Board	CFO
Service Agreement and Service Delivery Statement	Recommendation to Board	CFO
Financial Management Practice Manual (FMPM)	Recommendation to Board	CFO

The Committee will also **provide** the following reports to the Board:

Report	Description	Frequency	Responsibility
Committee Minutes	Committee Minutes	Quarterly	Secretariat

**Additional reports:** The Committee may also receive reports from other bodies on an 'as needs' basis, where the report is relevant to the Committee functions.

**Issue Escalation:** Issues unable to be resolved by the Committee are escalated to the Board.

## 11. QUORUM

A quorum for a meeting of the Committee is one-half of the number of its members, or if one-half is not a whole number, the next highest whole number.

## 12. OUT-OF-SESSION PAPERS VIA FLYING MINUTE

A resolution is validly made by the Committee, if –

- A majority of the Committee Members gives written agreement to the resolution; and
- Notice of the resolution is given under procedures approved by the Committee.

Items can be managed Out-of-Session via Flying Minute where:

- the item is urgent and must be considered before the next scheduled meeting; or
- in circumstances when face-to-face meetings are not possible, to enable business to be progressed.

If a resolution of the Committee is required out-of-session it must be done through a Flying Minute, which is then confirmed at the next Committee Meeting. If commentary or discussion is required, a request should be made to the Chair for a teleconference

Flying Minutes may be responded to by email or by completing the Flying Minute form and returned by the specified date and time.

### 13. PERFORMANCE

The Committee will be evaluated in terms of its performance against the approved Terms of Reference through an annual self-assessment process. Following each assessment, the Committee will consider what, if any, actions need to be taken to improve its performance, including composition of Committee and Member skills.

The Board will undertake an external evaluation to review its performance at least once every three years and this includes a review of committee performance.

### 14. CONFLICT OF INTEREST

To meet the ethical obligations under the *Public Sector Ethics Act 1994*, members must declare any conflicts of interest whether actual, potential, apparent, or appear likely to arise, and manage those in consultation with the Chair. This may relate to a position a member holds (e.g. Chair of an external organisation) or to the content of a specific item for deliberation.

Further information is available in the North West Hospital and Health Board Policy 'Conflicts of Interests'.

### 15. CONFIDENTIALITY

Committee Members acknowledge that:

- Members will receive information (verbal and written) that is commercially sensitive, clinically confidential, private and confidential and which may be protected by doctrines such as legal professional privilege;
- a Member's duty to maintain confidentiality and to exercise discretion are paramount and the duty survives the termination or expiry of a Member's appointment; and
- Members must maintain and secure access to the meeting papers (whether printed, electronic or in some other form/instrument); by keeping same in a safe and secure location; password protected (if electronic); separate from any other business or responsibilities of the Member; and in a manner where the meeting papers/information is protected.

### 16. SECRETARIAT

Secretariat support will be coordinated by the Board Secretary.

### 17. MEETING SCHEDULE

Meetings will be held at least four times a year. The Chair of the Committee must call a meeting if requested to do so by the Board. In addition, the Chair may call additional meetings as necessary to address any matters referred to the committee or in respect of matters the committee wishes to pursue within the terms of reference.

Additional meetings will be held for specific purposes which will be reflected in the agenda. These special meetings may also address standard matters raised in quarterly meetings.

**Document History**

Date	Nature of Amendment
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13/12/2022	Draft TOR endorsed by Board

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**Approval**

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Reviewing Officer: Chair, North West Hospital and Health Board Finance and Performance Committee

Endorsed: <Signature on File>  
Chair, North West Hospital and Health Board

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