

NHS South West London Clinical Commissioning Group
Finance Committee
Terms of Reference

DRAFT

Document management

Revision history

Version	Date	Summary of changes
0.1 - 0.3	Pre 05/09/19	Various comments received by SMT, Chairs and Governance Lay Members on initial drafts
0.4	06/09/19	Amendments as per tracker

Reviewers

This document must be reviewed by the following people:

Reviewer name	Title/responsibility	Date	Version
Governance Lay Members			
SMT			
Chairs			
LMC			

Approved by

This document must be approved by the following people:

Name	Signature	Title	Date	Version

1. Introduction

- 1.1. The Finance Committee (hereby known as the Committee) is established in accordance with the NHS South West London Clinical Commissioning Group's (hereby known as the CCG) Constitution, Standing Financial Instructions, Standing Orders and Scheme of Reservation and Delegation. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee.

2. Purpose of the Committee

- 1.2. The Committee is established to ensure that a robust financial strategy is in place and to oversee the system of financial management.
- 1.3. The Committee is authorised by the CCG Governing Body (Hereby known as the Governing Body) to investigate any activity within its Terms of Reference.

2. Remit and responsibilities of the Committee

- 2.1. The key duties of the Committee are:
 - 2.2. Keep under review financial strategy and strategic and operational financial plans, and the current and forecast financial position of the overall CCG and borough budgets;
 - 2.3. Oversee the arrangements in place for the allocation of resources and the scrutiny of all expenditure. This will include actual and forecast expenditure and activity on commissioning contracts, ensuring budgets are set and managed in an appropriate and timely manner. This will also include planning for the year ahead;
 - 2.4. Consider and review ongoing Financial Reports and the Annual Statement to be presented to the Governing Body, incorporating financial performance against budget, targets, financial risk analysis, forecasts, and statements on the rigor of underlying assumptions, to ensure statutory financial duties are met;
 - 2.5. Review delivery of savings plans and initiatives through regular reports. Understand the drivers behind any variances against the plans, and ensure any risks have been identified, and mitigating actions have been taken to address these;
 - 2.6. Develop a Performance Framework that enables the Committee to proactively manage the financial, performance, and savings agenda, including:
 - 2.6.1. Receiving a report of the in-year financial position and progress towards meeting targets within each borough's financial plans;
 - 2.6.2. Overseeing savings schemes and updates on both the financial and activity performance of each scheme;
 - 2.6.3. Overseeing implementation of investments/transformation schemes, receiving updates outlining financial activity and delivery against KPIs for each scheme;
 - 2.6.4. Management of system risks to mitigate their impact; and
 - 2.6.5. Providing assurance to the Governing Body about delivery and sustained performance in these areas.
 - 2.7. Proactively identify from reports where remedial action is required, and ensure appropriate action is taken;
 - 2.8. Where plans are in place to improve performance or reduce financial risks, ensure that progress against plans is monitored, and where appropriate, challenged;
 - 2.9. Identify the need for, and allocate resources where appropriate, to improve performance;
 - 2.10. Provide assurance to the Governing Body and the Audit Committee of the completeness and accuracy of the financial information provided to the Governing Body;
 - 2.11. Consider and review any external financial monitoring returns and commentary;
 - 2.12. Review by exception performance report summaries as required, and consider performance issues in so far as they impact on financial resource;
 - 2.13. Review, scrutinise and recommend business cases to the Governing Body;

- 2.14. Review, and agree, procurement decisions as appropriate, in accordance with Prime Financial Policies and the Scheme of Delegation, and make recommendation to the Governing Body;
- 2.15. Recommend to the Governing Body the thresholds above which quotations or formal tenders should be obtained;
- 2.16. Review tender waivers and tenders from firms not on approved lists and ensure these are reported to the Governing Body and Audit Committee;
- 2.17. Work alongside the Audit Committee to ensure financial probity in the organisation, and that value for money is reviewed and maintained;
- 2.18. Where appropriate, provide recommendations and actions to the Governing Body;
- 2.19. Where appropriate, refer issues to other Committees or Sub-Committees of the Governing Body.

3. Reporting

- 3.1. The Finance Committee shall report to the Governing Body on how it discharges its responsibilities.
- 3.2. The Committee shall make any such recommendations to the Governing Body it deems appropriate on any area within its remit where action or improvement is needed.
- 3.3. The minutes of the Committee meetings shall be formally recorded by the secretary and submitted to the Governing Body. The Chair of the Committee shall draw to the attention of the Governing Body any issues that require disclosure or require executive action.
- 3.4. The Committee will report to the Governing Body at least annually on its work in support of the Annual Statement. The Annual Statement should also describe how the Finance Committee has fulfilled its Terms of Reference, and give details of any significant issues that the Finance Committee considered, and how they were addressed.

4. Membership

- 4.1. The Finance Committee membership is as follows:
 - 4.1.1. The Finance Committee Chair;
 - 4.1.2. Two additional Lay Members;
 - 4.1.3. Two of the elected CCG Governing Board GPs;
 - 4.1.4. South West London CCG Chief Financial Officer.
- 4.2. The role of Finance Committee Chair will be undertaken by a Lay Member (who cannot be the Audit Committee Chair).
- 4.3. Members are required to attend a minimum of 75% of meetings, other than absence due to sickness.
- 4.4. Finance Committee members may nominate deputies to represent them in their absence and make decisions on their behalf.
- 4.5. The Chairman of the SWL CCG shall not be a member of the Committee.

5. Attendance

- 5.1. The Finance Committee shall have the following non-voting attendees (as and when required):
 - 5.1.1. Place based finance representatives;
 - 5.1.2. Other Directors and/or Managers as appropriate;
 - 5.1.3. Representatives from other organisations, as required.
- 5.2. Non-voting attendees may nominate deputies to represent them in their absence.

- 5.3. The Finance Committee may call additional experts to attend meetings on a case by case basis to inform discussion.
- 5.4. Non-voting attendees may present at meetings and contribute to the relevant discussions but are not allowed to participate in any formal vote.
- 5.5. The Committee may invite or allow people to attend meetings as observers. Observers may not present at meetings, contribute to any discussion or participate in any formal vote.
- 5.6. The Chair of the Governing Body will be invited to attend one meeting each year in order to form a view on, and understanding of, the Committee's operations.

6. Secretary

- 6.1. The SWL CCG Chief of Staff shall nominate a person to act as secretary to the Committee.

7. Quorum

- 7.1. Three members will constitute a quorum, provided this includes the Finance Committee Chair, a Lay Member, the Chief Financial Officer or a clinical representative (or a nominated deputies).

8. Frequency and notice of meetings

- 8.1. The Committee shall meet not less than four times a year and otherwise as requested.
- 8.2. The Committee may hold additional meetings as required.
- 8.3. Notice of a meeting shall be sent from the Secretariat to all members no less than seven calendar days in advance of the meeting, and ideally should be planned and programmed for the year ahead.
- 8.4. Notice of the meeting from the Secretariat shall contain the date, time, and location of the meeting.
- 8.5. If a member wishes to include an item on the agenda they must notify the Chair via the Secretariat no later than five calendar days prior to the meeting. The decision as to whether to include the agenda item is at the absolute discretion of the Chair.
- 8.6. Supporting papers shall be sent to Committee members and other attendees as appropriate, at least five calendar days before the meeting.

9. Conduct of meetings

- 9.1. Except as outlined in these Terms of Reference, meetings of the Committee shall be conducted in accordance with the provisions of Standing Orders, Scheme of Reservation and Delegation and Standing Financial Instructions approved by the Governing Body and reviewed from time to time.
- 9.2. In addition, the Committee will conduct its business in accordance with the codes of conduct set out for all GB members and good governance practice as laid out in the Constitution.
- 9.3. Members, attendees and/or observers must maintain the highest standards of personal conduct and in this regard must comply with:
 - 9.3.1. The law of England and Wales;
 - 9.3.2. The NHS Constitution;
 - 9.3.3. The Nolan Principles;
 - 9.3.4. The standards of behaviour set out in each the Constitution;

9.3.5. Any additional regulations or codes of practice relevant to the Committee.

9.4. The secretary shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.

9.5. Minutes of Committee meetings shall be circulated promptly to all attendees of the Committee and, once agreed, presented to the Governing Body.

10. Conflicts of Interest

10.1. Conflicts of Interest shall be dealt with in accordance with the SWL CCG Conflicts of Interest Policy and NHS England statutory guidance for managing conflicts of interest.

10.2. The Committee will have a Conflicts of Interest Register that will be presented as a standing item on the agenda.

11. Other matters

11.1. The Committee shall:

11.1.1. Have access to sufficient resources to carry out its duties;

11.1.2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members;

11.1.3. Give due consideration to laws and regulations impacting on the work of the Committee.

11.1.4. At least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Governing Body.

12. Review of Terms of Reference

12.1. These Terms of Reference will be reviewed and amended as required.

12.2. These Terms of Reference will be formally reviewed in April each year. These Terms of Reference may be changed or amended with the agreement of the Governing Body and in accordance with the Constitution.