

Finance and Performance Committee Annual Report 2018/19 to the Board of Directors

1. Introduction

Good practice states that the Board of Directors (the Board) should review the performance of its Committees annually to determine if they have been effective, and whether further development work is required.

The period reported on is from 1 April 2018 to 31 March 2019

1.1 Review of Committees

In September 2018 the Board of Directors undertook a comprehensive review of its Board and Committee Structures to improve the effectiveness of the Board. The results of the Board and Board Committee self-assessment process and the outcome of the Audit and Assurance Committee Self-Assessment both identified opportunities for change and improvement in the way that the governance infrastructure of the Foundation Trust is managed. An important starting point was the review of the Terms of Reference of all the Board Committees. The terms of Reference were reviewed and amended to

- Make the role of the Board Committees explicit in relation to the Board Assurance Framework
- Define the inter-relations and interdependence between the different committees
- Make the role of and relationship of Board Committees with the Audit and Assurance Committee explicit
- Standardise wording and format of all terms of reference

These Terms of Reference were approved by the Board of Directors in January 2019

1.2 Scope of this Annual Report

This annual report incorporates an outline of the activities of the Finance and Performance Committee which was in existence up to 31st January. It also provides an outline of the activities of the Committee as it implemented its revised terms of reference during February and March 2019.

2. Finance and Performance Committee (April 2018 to January 2019)

2.1 Responsibilities

The purpose of the Finance and Performance Committee was two-fold:

- To maintain a detailed overview of the Foundation Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Foundation Trust.
- To provide detailed scrutiny of performance matters.

The Finance and Performance Committee provides assurance and, if necessary raises concerns or makes recommendations to the Board of Directors. In fulfilling this purpose, the Finance and Performance Committee will at all times seek assurance that patient safety is not compromised by any proposed recovery or action plan.

From March 2018 to January 2019 the Finance and Performance Committee carried out its duties as laid out in its Terms of Reference. These duties include:

- Overseeing the development and maintenance of the Foundation Trust's medium and long term financial strategy
- Overseeing the development and delivery of the Foundation Trust's annual plan and integrated business plan
- Reviewing and monitoring financial plans and their link to operational performance
- Overseeing financial risk evaluation, measurement and management
- Scrutiny and approval of business cases (within delegated limits)
- Approval and oversight of the Capital Programme
- Reviewing the performance of the Foundation Trust in achieving National Standards, Contractual Indicators (National and Local) and Trust-defined indicators
- Receive, consider and approve the annual reference cost submission ensuring appropriate application of costing methodologies
- To approve and keep under review the Foundation Trust's investment policy in relation to treasury management (to include cash investments and all other elements of working capital).
- Receiving and reviewing the strategic objectives allocated to it by the Board of Directors identifying any areas where additional assurance is required.
- Receiving and reviewing those Board Assurance Framework risks allocated to the Committee by the Board, monitor progress made in mitigating those risks, identify any areas where additional assurance is required and escalate assurance to the Board of Directors as agreed by the Committee.

2.2 Membership and attendance record

The Finance and Performance Committee met on a monthly basis and met five times during the reporting period.

Membership and attendance is recorded in the table below.

MEMBERS	25.4.18	30.5.18	27.6.18	25.7.18	29.8.18	26.9.18	31.10.18	28.11.18	12.12.18	30.1.19	TOTAL
Pauline Vickers (Chair)	✓	✓	✓	✓	✓	✓	✓	✓			8 of 8
Trevor Higgins	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	9 of 10
Laura Stroud	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	9 of 10
Trudy Feaster-Gee								✓	✓	✓	3 of 3
Jon Prashar	✓	✓	X	✓	✓	✓	✓				6 of 7
Andrew McConnell						✓	✓	✓	✓	✓	5 of 5
Matthew Horner	✓	✓	X	✓	✓	✓	✓	X	✓	✓	8 of 10
Sandra Shannon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10 of 10
John Holden								✓	✓	✓	3 of 3
Cindy Fedell	X	X	✓	✓	✓	✓	✓	✓	X	✓	7 of 10
Karen Dawber	✓	✓	✓	✓	✓	✓	✓				7 of 7

✓ = Attended	X = Apologies sent
	Denotes period when not a member of the Committee

In order for the meeting to be quorate, there should be two Non-Executive Directors and two Executive Directors (or their nominated Deputies). Quoracy requires that the Director of Finance or Deputy Director of Finance is present.

2.3 Reporting Requirements

Each month the Committee received and reviewed reports on the following standard agenda items;

- 2.3.1 Finance Report
- 2.3.2 Board Assurance Framework
- 2.3.3 Performance Report
- 2.3.4 Trust Improvement Committee Report
- 2.3.5 Financial Improvement Plan
- 2.3.6 Finance & Performance Committee Dashboard

The Committee also reviewed a number of other issues specific to the Committee's terms of reference. These are all summarised in the routine report received by the Board of Directors

After each meeting, the Committee reports to the next Board meeting by way of a summary report of key points discussed. Once the meeting minutes have been agreed by the Committee, a copy is submitted to the subsequent Board meeting. Minutes include a description of the business conducted, risks identified and key actions agreed.

2.4 Review of the Terms of Reference of the Committee

The Finance and Performance Committee terms of reference were reviewed in September 2018 by the Board as part of the review of the committees detailed in section 1.1. The Board of Directors approved key changes to the remit of the Quality Committee.

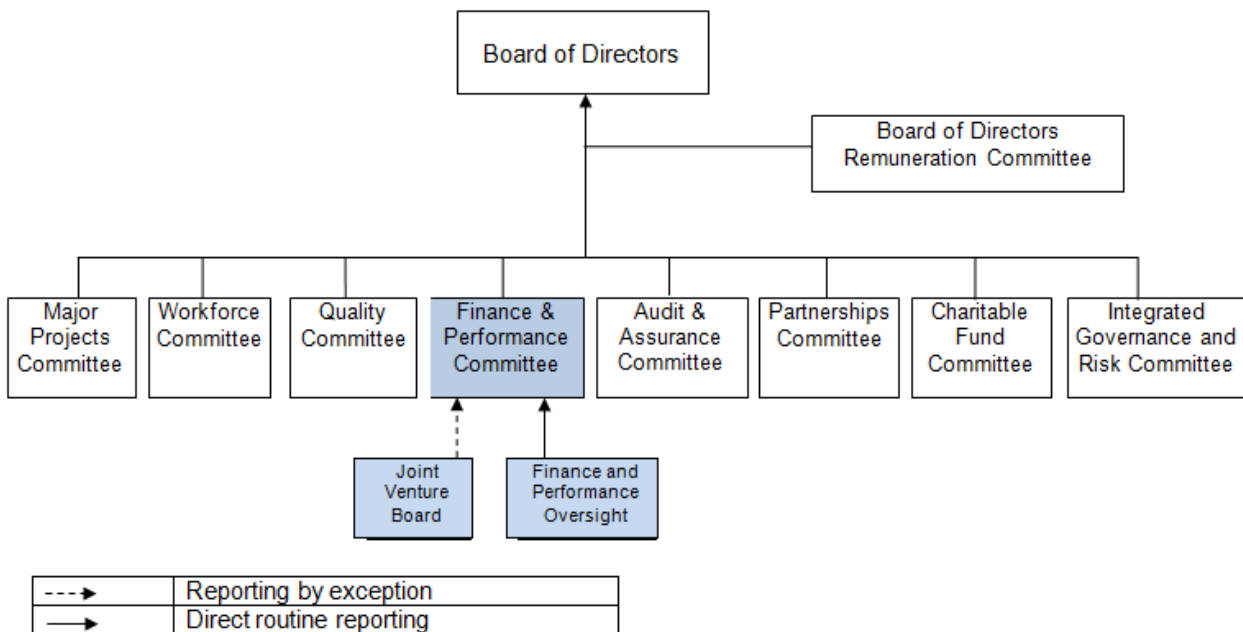
2.5 Cycle of Business

The Finance and Performance Committee keeps under review its own working arrangements and is mindful of the need to ensure that its remit fits appropriately with the other Committees of the Board of Directors.

2.6 Conclusion

The Finance and Performance Committee believes it has taken all reasonable steps to perform its duties as delegated by the Board and mandated in its Terms of Reference and in accordance with good governance arrangements.

3. Finance and Performance Committee (February 2019 to March 2019)



3.1 Purpose

The purpose of the Committee is to provide the Foundation Trust's Board with an objective and independent review (including relevant strategic risks and associated assurance) of the management of assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Foundation Trust, and the effective management of all performance related matters.

Trust Strategic Objectives		Committee Role
1	To provide outstanding care for patients	Acknowledge
2	To deliver our financial plan and key performance targets	Oversight and assure
3	To be in the top 20% of employers	Acknowledge
4	To be a continually learning organisation	Acknowledge
5	To collaborate effectively with local and regional partners	Acknowledge

3.2 Objective

The objective of the Committee is to enable the Foundation Trust Board to obtain assurance that the arrangements for the management and development of finance and performance matters are effective and that appropriate governance structures, processes and controls are in place for the Trust to:

- Promote the effective use of resources (including the effective use of data from the Model Hospital)
- Identify, prioritise and manage risk associated with financial or clinical performance
- Ensure that the Trust is aligned to the statutory and regulatory requirements relating to finance and performance

3.3 Principal Duties

The principal duties of the Committee are:

- To receive and review the strategic objectives allocated to it by the Board of Directors, agreeing the key controls and identifying any areas where routine and additional assurance is required within its work-plan and what type of assurance is required.
- To receive and review the Board's Risk Appetite statement at each meeting and apply it to their review of the risks and assurance associated with the Trust's Strategic Objectives.
- To receive and review the Strategic Risks (with a risk score of 12 or more) or any other risks identified or being managed by the Trust allocated to it by the Board of Directors in the context of the Board Assurance Framework, monitoring progress made in mitigating those risks through the work of the Integrated Governance and Risk Committee, identifying any areas where additional assurance is required, and escalating to the Board of Directors as agreed by the Committee.
- To report, as per the agreed memorandum of understanding (see Appendix 1) to the Audit and Assurance Committee and to provide assurance to the Trust Board on the adequacy of control and mitigation against such risks.
- Following consideration of the assurances received through the discharge of its operational responsibilities, agree the level of confidence the Committee has in relation to the achievement of the strategic objectives allocated to it and provide the associated rationale for inclusion within the Board Assurance Framework.

3.4 Operational Responsibilities

The Committee is responsible for providing the Trust Board with assurance on all aspects of finance and performance, including delivery, governance and risk management, including compliance with the relevant regulatory standards

The Committee discharges its responsibility through:

- Having oversight and scrutiny of the development and maintenance of the Foundation Trust's medium- and long-term financial strategy
- Having oversight and scrutiny of the development and delivery of the Foundation Trust's annual plan and integrated business plan
- Reviewing and monitoring financial plans and their link to operational performance
- Having oversight and scrutiny of financial risk evaluation, measurement, and management
- Having oversight and scrutiny of the risks and assurance associated with the impact of financial and performance pressures on the quality of care
- Scrutiny and approval of business cases (within delegated limits)
- Approval and oversight of the Capital Programme
- Reviewing and monitoring the performance of the Bradford Improvement Programme
- Reviewing the performance of the Foundation Trust in achieving National Standards, Contractual Indicators (National and Local) and Trust-defined indicators
- Receiving, considering and approving the annual reference cost submission ensuring appropriate application of costing methodologies
- Approving and keeping under review the Foundation Trust's investment policy in relation to treasury management (to include cash investments and all other elements of working capital)
- Making recommendations to the Audit and Assurance Committee concerning the annual programme of Internal Audit work and to work with the Audit and Assurance

Committee to ensure effective scrutiny of the risks and systems of internal control related to finance and performance matters.

3.5 Membership and Attendance Record

The Committee met on a monthly basis and met twice during the reporting period. A quorum shall consist of no less than two Non-Executive Directors and two Executive Directors (or their nominated Deputies) and must include as a minimum the Chair or Deputy Chair of the Committee.

Membership and attendance is recorded in the table below

MEMBERS	27.2.19	27.3.19	TOTAL
Trevor Higgins (chair)	✓	✓	2 of 2
Laura Stroud	✓	✓	2 of 2
Trudy Feaster-Gee	✓	✓	2 of 2
Andrew McConnell	✓	✓	2 of 2
Matthew Horner	X	✓	1 of 2
Sandra Shannon	X	✓	1 of 2
John Holden	✓	✓	2 of 2
Cindy Fedell	✓	✓	2 of 2

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3.5 Reporting Requirements

Each month the Committee received and reviewed reports on the following standard agenda items;

- 2.3.1 Finance Report
- 2.3.2 Board Assurance Framework
- 2.3.3 Performance Report
- 2.3.4 Informatics Performance Report
- 2.3.5 Trust Improvement Committee Report
- 2.3.6 Financial Improvement Plan
- 2.3.7 Finance & Performance Committee Dashboard

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3.5 Cycle of Business

The Finance and Performance Committee keeps under review its own working arrangements and is mindful of the need to ensure that its remit fits appropriately with the other Committees of the Board of Directors.

3.6 Conclusion

The Finance and Performance Committee believes it has taken all reasonable steps to perform its duties as delegated by the Board and mandated in its Terms of Reference and in accordance with good governance arrangements.

Julie Lawreniuk
Non-Executive Director and Chair of the Finance and Performance Committee

August 2019