

Board of Directors Meeting in Public

Subject:	Finance Committee Annual Report	Date: 5 May 2022		
Prepared By:	Richard Mills, Chief Financial Officer			
Approved By:	Neal Gossage, Non Executive Director and Chair of Finance Committee			
Presented By:	Richard Mills, Chief Financial Officer			
Purpose				
To provide assurances the Finance Committee is performing its responsibilities as set out within its Terms of Reference.			Approval	✓
			Assurance	
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
✓	✓	✓	✓	✓
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
	✓			
Risks/Issues				
Financial				
Patient Impact				
Staff Impact				
Services				
Reputational	The Annual Report is an element of overall Trust governance arrangements. Failure to apply agreed governance arrangements could result in significant reputational consequences.			
Committees/groups where this item has been presented before				
Finance Committee – January 2022				
Executive Summary				
<p>This report provides a description of the activities and assurance that the Finance Committee has carried out its obligations in accordance with its terms of reference and work programme for the 2021 calendar year. It provides assurances and synopsis on activity undertaken throughout the year and identifies areas for development.</p> <p>The time period is aligned to the annual governance timetable to enable consideration by the Audit & Assurance Committee and the Board of Directors, and to support the Annual Governance Statement.</p>				

Annual Report from the Finance Committee 2021

1. Summary

This report provides an overview of risk management activities undertaken throughout the Trust and a summary of the work undertaken within the Finance Committee activities from January to December 2021, for assurance that the Committee has carried out its obligations in accordance with its Terms of Reference and work programme for 2021.

The time period is aligned to the annual governance timetable to enable consideration by the Audit & Assurance Committee and the Board of Directors, and to support the Annual Governance Statement.

2. Background

The Finance Committee meets not less than 6 times a year and reports to the Board of Directors. Its Terms of Reference establish that its role is to conduct independent and objective reviews of financial and investment policy and performance issues.

The Committee's membership is set out below:

- Four Non-Executive Directors one of whom nominated as Chair and one as Vice Chair. The Chair of the Committee is appointed by the Board of Directors.
- Chief Executive.
- Chief Financial Officer.
- Chief Operating Officer.
- Director of Culture & Improvement
- Associate Director of Estates & Facilities

Also in routine attendance:

- Deputy Chief Financial Officer
- Associate Director of Transformation
- Associate Director – Business Planning & Partnership
- Governor observer

Other Directors and Managers have attended meetings in accordance with the Committee work programme and/or in response to specific issues being identified.

3. Meetings

The Committee has held 10 meetings during the period covered by this report, 2 meetings being held as Extra-ordinary meetings as agreed by the Committee.

Attendance of core members (or a nominated deputy) at meetings during the period covered by this report is detailed below:

Non-Executive Director Chair	10/10
Non-Executive Director Vice Chair	10/10
Non-Executive Director (left SFH in Nov-21)	8/8
Non-Executive Director (joined FC Mar-21)	5/8
Chief Executive	1/10
Chief Financial Officer	10/10
Chief Operating Officer	7/10
Director of Culture & Improvement	7/10
Associate Director of Estates & Facilities	8/10

4. Work Programme

The Committee has received regular reports throughout the year in accordance with its agreed Annual Work Programme. A series of monthly reports are received from Committee members in respect of:

- Financial Performance
- Financial Improvement Plan
- PFI Governance
- ICS and NHSI Updates
- Procurement Forward View
- Board Assurance Framework (BAF) – Principal Risk 4

The Committee has also received reports on the following specific matters:

- Annual Planning and Budgeting process and delivery
- NHIS quarterly performance
- Capital Plan
- Strategic Objective 5 update
- Terms of reference review (March 2021)
- National Cost Collection submission
- Internal Audit Reports

5. Approvals

The Trust Scheme of Delegation describes the Committee has delegated authority from the Board of Directors to approve revenue and capital expenditure up to the value of £1m. The Governance process requires Finance Committee approval of all expenditure in excess of £250,000. Expenditure above the £1m threshold requires the final approval of the Board.

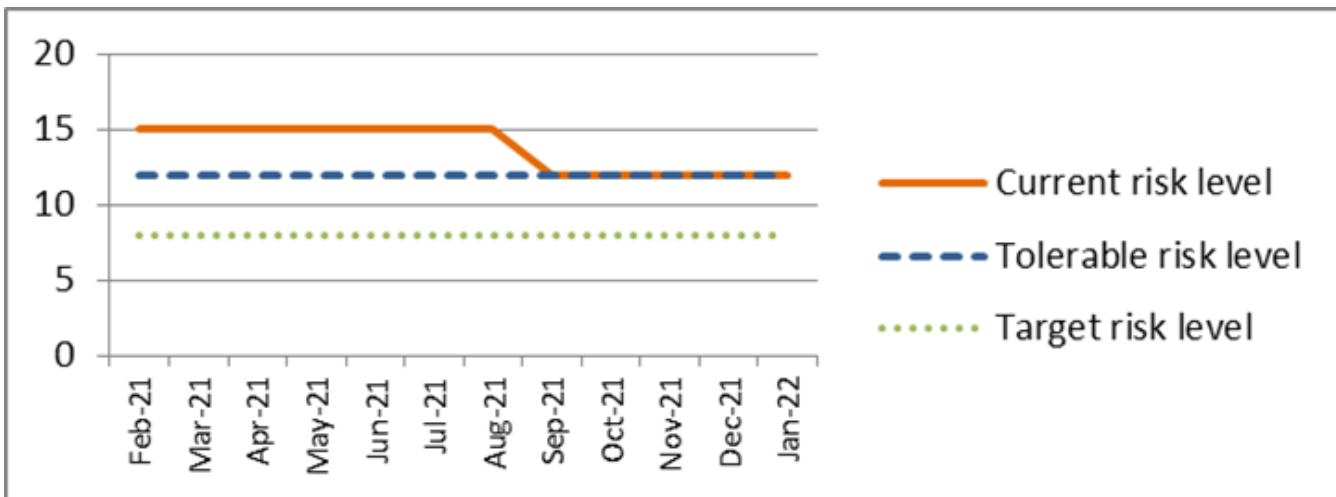
In accordance with this the Committee has considered and approved the following:

- Pathology Laboratory Information Management System (LIMS) replacement
- NHIS Network Infrastructure replacement
- GP Network Switch replacement
- Covid-19 Vaccination Centre Security provision
- P2G support for PFI settlement
- Soft FM Procurement
- CCG and GP IT Refresh (virtual approval)
- Mobile CT and Mobile Endoscopy units
- Mobile MRI Van contract renewal

- Medical Interoperability Gateway (MIG) contract renewal
- Microsoft Enterprise Subscription Agreement contract renewal
- Allocate contract extension
- Critical Care capacity investment
- Medical Staffing business case

6. Board Assurance Framework

The Committee reviews BAF principle risk 4 (Failure to maintain financial sustainability) at each ordinary meeting. At the start of the period covered by this report the risk score was recorded at 15 (Significant). The score was revised to 12 (High) at the September 2021 meeting. This was due to a change in the consequence score changing from 5 (Very High) to 4 (High), given there was no suggestion of regulatory action being taken at that point. The score remained unchanged for the rest of the period.



7. Committee Effectiveness Review

The Committee carried out an Effectiveness Review which was reported in March 2021. The review was based upon the National Audit Office Committee Healthcheck and is to help review governance arrangements, check appropriate systems are in place and to identify areas for improvement.

The self-assessment tool considered 16 criteria and the Committee reported that each was fully met. Evidence to support this assessment was reported and no required actions were identified.

8. Matters for escalation

At the end of each Committee meeting items for escalation to the Board of Directors are identified. Throughout the year, at various points in time, these have included:

- Financial performance and forecast outturn updates, including financial year 2020/21, the 2021/22 H1 financial period (1st March 2021 to 30th September 2021) and the 2021/22 H2 financial period (1st October 2021 to 31st March 2022)

- Approval of expenditure exceeding the Finance Committee £1.0m limit, requiring final approval from the Board of Directors (Pathology LIMS, Mobile CT and Endoscopy Units, Mobile MRI and Microsoft ESA contract renewals, Critical Care and Medical Staffing business cases)
- Transformation & Efficiency updates, including Financial Improvement Programme (FIP) plans and performance updates
- Covid vaccination programme financial arrangements
- Financial planning and budgeting updates, including revisions to NHS financial framework
- Increase in service calls to NHIS
- PFI contract updates, including PFI settlement agreement standstill period recommendations and approval
- Soft FM Procurement
- Capital programme updates
- Significant assurance provided in the Integrity of the General Ledger and Financial Reporting audit report
- Plans and performance in respect of Elective Recovery and changes to Elective Recovery Fund rules
- ICS developments
- Procurement Spend Comparison Service (SCS) league table data
- MCH asset transfer proposal and potential for financial risk
- BAF current exposure score amendment to 4
- National Cost Collection (NCC) final submission
- Approval of NHIS Digital Strategy

9. Conclusion

The Committee self-assessments of compliance with Terms of Reference, the review of effectiveness, the robust work programme and escalations to Board of Directors provide assurance that the Committee continues to be effective in discharging its responsibilities.