

## Amendments to Committee - Terms of Reference

### Public Board

20 May 2021

<b>Presented for:</b>	Approval
<b>Presented by:</b>	Jo Bray, Company Secretary
<b>Author:</b>	Jo Bray, Company Secretary
<b>Previous Committees:</b>	Updates to the Board during the year to reflect changes in membership

Trust Goals	
The best for patient safety, quality and experience	✓
The best place to work	✓
A centre for excellence for research, education and innovation	✓
Seamless integrated care across organisational boundaries	✓
Financial sustainability	✓

Trust Risks (Type & Category)				
Level 1 Risk	(✓)	Level 2 Risks	(Risk Appetite Scale)	Risk
Workforce Risk			Choose an item	Choose an item.
Operational Risk			Choose an item	Choose an item.
Clinical Risk			Choose an item	Choose an item.
Financial Risk			Choose an item	Choose an item.
External Risk		<b>Legal &amp; Governance</b> We will operate the Trust in compliance with the law and UK Corporate Governance Code, where applicable. <b>Regulatory Risk</b> We will comply with or exceed all regulations, retain its CQC registration and always operate within the law.	Averse	↔ (same)

<b>Key points</b>	
The Board is asked to approve the minor amendments to the relevant Committee's terms of reference, as set out in the report.	Approval

## 1. Summary and Background

Standing Orders and Standing Financial Instructions along with the Scheme of Delegation are the rule and governance framework that underpins the Board and its Assurance Committee structures.

## 2. Proposal

Each Committee of the Board has as part of its annual reporting process to the Audit Committee has reviewed its respective Terms of Reference. These are shown in track changes below and within the full annual reports received at agenda item 10.6.

The following summarises the changes requiring approval by the Board;

### Finance & Performance Committee

Amendments set out in blue text.

#### 1. Main Authority / Limitations

The Board has resolved to establish a Committee of the Board to be known as the Finance & Performance Committee ("the Committee"). The Committee is comprised of Non-Executive Directors, accounts to the Board shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. The purpose of the Finance & Performance Committee is to lead on behalf of the Board of Directors the acquisition and scrutiny of assurances concerning (i) budget/5-year strategy/plan and operational processes; (ii) financial and operational performance; (iii) material variance; and (iv) remedial plans.

#### New addition

1.2 The Committee will report annually on the delivery of its work programme. Reports will specifically comment on Risk, Financial management, Operational Performance, the Capital Programme, Governance/Approvals, Relevant Minutes / Hot Topics for Noting.

#### Primary Duties and Responsibilities

a To oversee and assure financial and operational performance. In providing such oversight and advice to the Board and Committee shall oversee (i) current and forward-looking financial and operational performance pressures, including stabilisation, reset and recovery from the Covid-19 pandemic; (ii) consider future financial and operational strategy (oversight on behalf of the Board of the Trust's overall revenue and capital plans, current position forecast risk and mitigations), including capital and cash management; (iii) scrutinise assurances provided by management in respect of key performance indicators ( this would include the performance framework defined by NHS England/Improvement, and indicators prioritised by the Board from corporate strategy).

#### Membership

The Chief Executive, Director of Finance, Director of Human Resources & Organisational Development, Chief Digital & Information Officer, Chief Operating Officer, Medical Director (Planned Care), Medical Director Operations (Unplanned Care), Associate Director/s of Finance, Director of Estates & Facilities and Company Secretary shall be in attendance at all meetings except in relation to reserved business. They may send deputies to represent them in their absence or invite specific colleagues to address the Committee where appropriate and agreed with the Committee Chairman.

### Quality Assurance Committee

Following the resignation of Tricia Storey Hart, Laura Stroud is now Chair, and the Committee will hold one NED vacancy, noting recruitment will commence with the defined skill set from a clinical background.

**Workforce Committee**

No changes.

**Building Development Committee**

No changes.

**DIT Committee**

No changes.

**Audit Committee**

Following the resignation of Tricia Storey Hart, Laura Stroud is to become a member.

Minor grammatical improvements.

The following set out in track changes

**Main Authority / Limitations**

1.1 The Board has resolved to establish a Committee of the Board to be known as the Audit Committee ('the Committee'). The Committee is comprised of Non-Executive Directors, accounts to the Board and shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. The purpose of the Audit Committee is to: (i) lead on behalf of the Board of Directors the acquisition and scrutiny of assurances concerning the effective design and operation of internal control and ~~financial reporting and disclosure; and (ii) evaluate the appropriateness of the Trust's risk appetite.~~

1.3 The Committee will report annually on its work in support of the Annual Governance Statement ~~and financial reporting.~~ Reports will specifically comment on ~~the fitness for purpose of the Risk Register and Board Assurance Framework in the management of LTHT's significant risk profile; the completeness and embeddedness of risk management within LTHT, the integration of governance arrangements and the appropriateness of any compliance disclosure made or to be made by the Board.~~ the adequacy and effectiveness of the Trust's framework of governance, risk management and control (i.e. the Trust's system of internal controls). Including the Board Assurance Framework and Corporate Risk Register. 2) Oversight of the external auditor and financial reporting process including disclosures and 3) Oversight of internal audit and 4) Oversight of Counter Fraud, Bribery and Corruption.

3.1 To monitor the integrity of the financial statements of the Trust, and any formal announcements relating to the Trust's financial performance or supplementary regulatory information, reviewing significant financial reporting judgements contained in them. In reviewing the Trust's financial statements before submission to the Board, the Committee shall focus particularly on:

In the regard to the above:

(i) members of the Committee shall liaise with the Board, members of senior management and the external auditor ~~and, Chief Internal Auditor~~ and Head of Internal Audit; and the Committee shall consider any significant or unusual items that are, or may need to be, highlighted in the annual report and accounts and shall give due consideration to any such matters raised by the staff responsible for the accounting and financial reporting function. ~~Chief Internal Auditor or~~ Head of Internal Audit, ~~Head of Risk,~~ Company Secretary or the external auditor

3.8 To advise and approve the appointment and removal of the ~~Chief Internal Auditor~~ or the Head of Internal Audit.

3.18 ~~To require the~~ External auditors ~~are required~~ to make declarations to the Audit Committee regarding employment conflicts with the Trust

3.19 To consider any findings of major investigations of internal control over financial reporting matters as delegated by the Board ~~or identified by the Committee the Committee's initiative and management's response.~~

3.20 To receive an annual ~~letter of assurance report~~, and other reports from time to time as required by applicable laws and regulations, from the Chairs of the Board's Committees xxxxxxxxx

3.27 ~~The Committee shall~~ To review systems and controls for the prevention of bribery ~~and corruption~~ and receive reports of any non-compliance.

6.3 The following persons shall be invited to attend at the discretion of the Committee, either for a particular item or for the whole meeting:

- (i) External Audit Lead;
- (ii) Head of Internal Audit;
- (iii) Chief Executive;
- (iv) Operations Representative(s);
- (v) Chief Medical Officer
- (vi) Local Counter Fraud Specialist
- (vii) Associate Directors of Finance
- (viii) Director of Quality
- ~~(ix) Head of Financial Services~~
- (x) ~~Other External Organisations working with the Head of Internal Audit~~ Chief Internal Auditor;
- (xi) Executive Directors; and  
others at the invitation of the Committee.

### **3. Financial Implications**

N/A

### **4. Risk**

The changes set out will support and maintain the Boards averse risk tolerance for legal & governance and regulatory risk appetite.

### **5. Communication and Involvement**

Standing Orders are held on Sharepoint and can be accessed by all staff via the intranet.

### **6. Equality Analysis**

There are no equality issues to raise. Standing Orders are applicable to all staff.

### **7. Publication Under Freedom of Information Act**

This paper has been made available under the Freedom of Information Act 2000.

### **8. Recommendation**

The Board is asked to approve the changes to membership within the terms of reference.

### **9. Supporting Information**

The following papers make up this report:

*Please cross reference for more details to the Committee annual reports in section 10.6 of the agenda for specific details.*

Jo Bray

**Company Secretary**

13 May 2021