

Metro North Board

Finance and Performance Committee Terms of Reference

1. Purpose

The purpose of the Metro North Hospital and Health Board Finance and Performance Committee is to assist the Metro North Hospital and Health Board (the Board) in fulfilling its oversight responsibilities and ensuring achievement of the Board's goals. This is achieved by overseeing the financial and operational performance, position and requirements of the Hospital and Health Service (the service). The financial impact of human resource matters will be examined by the Committee.

2. Authority

The Committee is a prescribed Committee under the *Hospital and Health Boards Regulation 2012*:

- the Committee reports to the Board
- the terms of reference are approved by the Board
- the Board has authorised the Committee, within the scope of its responsibilities, to
 - examine any matter in relation to its objectives as it sees fit or as requested by the board
 - engage external resources if necessary to obtain independent advice in relation to Committee matters with the approval of the board
 - have access to all levels of management via the Health Service Chief Executive (HSCE) in order to seek information from any employee to assist in carrying out the Committee's responsibilities.

Decision making

- The Committee has no executive powers.
- The Committee is an advisory committee of the Board. In discharging its responsibilities, the Committee has the authority to:
 - recommend investigations into matters within its scope of responsibility
 - access information, records and personnel of the service and Health Department's Shared Service Provider for this purpose
 - request attendance of any employee, including executive staff, at Committee meetings
 - conduct meetings with internal and external auditors as necessary
 - seek advice from external parties as necessary
- Recommendations of the Committee will be regarded as its collective decision or advice unless there is material dissension.
- If consensus cannot be reached, the Chair reserves the right to escalate the matter to the Board. The minority view will be recorded in the minutes of the meeting and placed before the Board.
- Where the matter for consideration is beyond the scope of the Committee, the decision is to be referred to another Committee, where relevant, or the Board.

3. Guiding Principles

The *Hospital and Health Boards Act 2011* and the *Public Service Act 2008* provide the following principles intended to guide achievement of the Acts' objects. These principles guide all decisions of the Committee.

Hospital and Health Boards Act 2011

- the best interests of users of public sector health services should be the main consideration in all decisions and actions under this Act
- there should be a commitment to ensuring quality and safety in the delivery of public sector health services
- providers of public sector health services should work with providers of private sector health services to achieve coordinated, integrated health service delivery across both sectors

- there should be responsiveness to the needs of users of public sector health services about the delivery of public sector health services
- information about the delivery of public sector health services should be provided to the community in an open and transparent way
- there should be commitment to ensuring that places at which public sector health services are delivered are places at which –
 - employees are free from bullying, harassment and discrimination
 - employees are respected and diversity is embraced
 - there is a positive workplace culture based on mutual trust and respect
- there should be openness to complaints from users of public sector health services and a focus on dealing with the complaints quickly and transparently
- there should be engagement with clinicians, consumers and community members and local primary healthcare organisations in planning, developing and delivering public sector health services
- opportunities for research and development relevant to the delivery of public sector health services should be promoted
- opportunities for training and education relevant to the delivery of public sector health services should be promoted.

Public Service Act 2008

- public service management is directed towards providing responsive, effective and efficient services to the community and the Government
- impartiality and integrity is maintained when informing, advising and assisting the Government
- collaboration between Government and non-government sectors is fostered in providing services to the community
- there is commitment to continuously improving public service administration, performance management and service delivery
- public resources are managed efficiently, responsibly and in a fully accountable way
- the Government is promoted as an employer of choice
- equality of employment opportunity is promoted.

Financial Accountability Act 2009

- adherence to the *Financial and Performance Management Standard 2009*, which provides direction in financial management with emphasis upon planning, performance management, internal control and corporate management.

4. Functions

The Metro North Board Finance and Performance Committee has the following functions:

- (a) advising the Board about the matters stated in paragraphs (b) to (j);
- (b) assessing the Service's budgets and ensuring the budgets are —
 - (i) consistent with the organisational objectives of the Service; and
 - (ii) appropriate having regard to the Service's funding.
- (c) monitoring the Service's cash flow, having regard to the revenue and expenditure of the Service;
- (d) monitoring the financial and operating performance of the Service;
- (e) monitoring the adequacy of the Service's financial systems, having regard to its operational requirements and obligations under the *Financial Accountability Act 2009*;
- (f) 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

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

- (h) monitoring activity performance against prescribed indicators and targets (including against relevant Service Agreement Key Performance Indicators specifically related to Performance and Funding);
- (i) reviewing significant Service strategic business cases and providing recommendations to the Board as appropriate;
- (j) monitoring the financial impact of human resource matters on the Service.
- (k) 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 (j).

5. Risk Management

A proactive approach to risk management will underpin the business of the Metro North Board Finance and Performance Committee. The Committee will:

- identify risks and mitigating strategies associated with all decisions made
- implement processes to enable the Committee to identify, monitor and manage critical risks as they relate to the functions of the Committee.

6. Sub-Committees

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

7. Reporting

The Committee will prepare prompt and timely reports to the Board outlining relevant matters that have been considered by it, as well as the Committee's opinions and recommendations thereon. The Chair will report to the Board on a regular basis.

The Committee will provide the following to the Board:

- Annual meeting schedule
- Confirmed meeting minutes following each meeting

The Committee will receive the following reports as standing items:

- Finance Report
- Operations Report
- Work Program Report

The Committee may also receive reports on an 'as needs' basis, where the report is relevant to the Committee's functions. Reports are to be provided to the secretariat no later than eight days prior to the meeting for inclusion in the meeting pack for Committee members.

8. Membership

Membership is determined by the Board. Members, including the Chair, will include at least two members of the Board, or, where the necessary skills do not exist on the Board, the Board may appoint an external member to the Committee.

If the Chair is absent from a meeting or vacates the Chair at a meeting, the Chair must appoint another member to act as the Chair on a temporary basis.

Standing invites

The following positions will be invited to attend each meeting:

- Health Service Chief Executive
- Executive Director Operations

- Executive Director Clinical Services
- Chief Finance Officer

Other invitees

The Committee may invite other people to attend its meetings as it sees fit.

Proxies

Proxies are only able to attend if approved by the Chair.

9. Other participants

The Chair may request service health executives, employees or external parties to attend a meeting of the Committee. However, such persons do not assume membership or participate in any decision-making processes of the Committee.

10. Quorum

A quorum will comprise half of the voting members, including the Chair, plus one.

11. Out-of-session Papers

Urgent matters can be progressed out-of-session with the agreement of the Chair.

12. Performance

The Committee will undertake an annual self-assessment of its performance to ensure that the Committee remains fit for purpose and to identify and action any areas in which the effectiveness of the Committee could be improved. The Committee will provide a report on the annual review of performance and achievements to the Board.

Periodically, the Chair will discuss professional development and training needs for all members of the Committee. When training needs are identified, the Secretariat will make the arrangements for registration and payment.

13. Ethical Practices

To meet the ethical obligations under the *Health and Hospitals Network Act 2011* and the *Public Sector Ethics Act 1994*, Committee members must declare any conflicts of interest whether actual, potential, apparent, or appear likely to arise, and manage those in consultation with the Chair.

Members will at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, independence and probity and not engage knowingly in acts of activities that have the potential to discredit the service.

Members will refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and will, at all times, act in a proper and prudent manner in the use of information acquired in the course of their duties. Members will not use the service's information for personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of the service. Further, members must not publicly comment on matters related to activities of the committee other than as authorised by the Governing Board.

14. Confidentiality

Members of the Committee may from time-to-time be in receipt of information that is regarded as 'commercial in confidence', clinically confidential or have privacy implications. Members acknowledge their responsibility to maintain confidentiality of all information that is not in the public domain. Members will maintain the committee papers in a confidential manner separate from any other business or responsibilities of the member.

15. Secretariat

Secretariat support will be provided by the Board Secretary or another officer. The Secretariat will be responsible for the preparation and circulation of the meeting agenda and accurately minuting all decisions of the Committee, in consultation with the Chair. The Secretariat will also be responsible for the timely tabling of all correspondence, reports and other information relevant to the Committee's activities.

16. Meeting Schedule

Meetings will be held a minimum of every two months. 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.

17. Business Rules

As per the Metro North Board Charter, which provides the corporate governance framework for the authority, role, operation, membership, functions and responsibilities of the Board.

Approved by the Metro North Hospital and Health Board on 28 August 2018

Review date August 2020