



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	23 June 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Finance Committee Assurance Report around the Discharge of its Terms of Reference
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Executive Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

To aid Audit & Risk Assurance Committee (ARAC) to achieve one of the Committee's principal duties of establishing and maintaining an effective system of good governance, risk management and internal control, Lead Directors of Board level Committees are invited to attend ARAC at least annually to provide assurance that they are effectively discharging their Terms of Reference and ensuring that principal risks are being managed effectively.

This report provides ARAC with assurance in respect of how the Finance Committee has discharged its terms of reference over the past 12 months and the principal risks it monitors are managed effectively.

ARAC is asked to discuss and take assurance from the content of the report, highlighting any issues for consideration by the Finance Committee in respect of its future work plan.

Cefndir / Background

In line with its Standing Orders, the University Health Board has appointed a number of committees to undertake specific functions on the Board's behalf or to provide advice and assistance to the Board in the exercise of its functions. The Finance Committee has been established as a formal Committee of the Board and constituted from 1st October 2018.

Each Committee has detailed Terms of Reference which are formally approved by the Board. The Terms of Reference of the Finance Committee were reviewed and approved by the Board on 30th May 2019 and subsequently on 26th March 2020. The Terms of Reference set out the purpose of the Finance Committee as follows:

- To scrutinise and provide oversight of financial and revenue consequences of investment planning (both short term and in relation to longer term sustainability).
- Review financial performance, review any areas of financial concern, and report to the Board.

- Conduct detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board.
- Regularly review contracts with key delivery partners.
- Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.

Asesiad / Assessment

The following information sets out how the Finance Committee has discharged its Terms of Reference over the past 12 months, to provide ARAC with assurance that it is operating effectively.

Purpose	Evidence
To scrutinise and provide oversight of financial and revenue consequences of investment planning (both short term and in relation to longer term sustainability).	<p>Capital Financial Management Report presented monthly to Committee.</p> <p>Draft Financial Plan 2020/21 presented to the Committee as it progressed over the course of the year with details of cost pressures and savings requirements identified and considered.</p>
Review financial performance, review any areas of financial concern, and report to the Board.	Financial performance (including projections and risks), Turnaround update and Referral to Treatment Time (RTT) expenditure reported monthly to Committee.
Conduct detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board.	<p>Deep Dive reviews into Medicines Management; Performance challenges in Withybush; Mental Health & Learning Disabilities (MH&LD) Commissioning; MH&LD ring-fenced allocation and Long Term Care presented to Committee.</p> <p>Winter Plan Model 2019/20 – methodology and details of allocation and use of funds presented to the Committee.</p> <p>Strategic Financial Planning Group established to support <i>A Healthier Mid & West Wales</i> – updates shared with Committee following every meeting.</p>
Regularly review contracts with key delivery partners.	Long Term Agreements/Contracts Update included as a standing agenda item to ensure Members are sighted on any contracts over £0.5m and to enable concerns to be reported to Board (agreed to be reported quarterly from March 2020).
Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early	<p>Implementation of the Draft Financial Plan 2019/20 considered by the Committee.</p> <p>External Review – monthly updates on the Welsh Government commissioned KPMG review to consider</p>

<p>warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.</p>	<p>Financial grip and control; Review of the 2019/20 Financial Plan; Validation and identification of the drivers of the underlying deficit and opportunities to improve the deficit and achieve financial stability presented to Committee. HDdUHB response to recommendations presented to the March 2020 meeting.</p> <p>Workforce Pay Controls – monthly updates presented to Committee in relation to the Establishment Control Project and KPMG Grip and Control work-stream.</p> <p>Corporate and Operational Financial Risks – scrutinised quarterly. Finance related risks refreshed in light of COVID-19 for March 2020 Board meeting.</p> <p>Financial Procedures – updated and new financial procedures approved in year.</p> <p>International Financial Reporting Standard (IFRS) 16 – implications of introduction of new accounting standard relating to leases presented to Committee.</p> <p>Development and Implementation of Value Based Healthcare (VBHC) – application of Business Intelligence within the Finance Team to support VBHC across HDdUHB shared with Committee.</p> <p>Opportunities Framework – overview presented setting out proposed workflows, responsibilities and supporting processes that would provide a useful tool for robust scrutiny of ideas and rigorous testing undertaken to provide assurance to the Board.</p>
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Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is asked to note the content of this report and take assurance that the Finance Committee has operated effectively during 2019/20, and to highlight any issues for consideration by the Committee in respect of its future work plan.

<p>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</p>	
<p>Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor</p>	<p>5.8 Invite Lead Directors of Board level Committees to attend the Audit and Risk Assurance Committee at least annually to receive assurance that they are effectively discharging their Terms of Reference and ensuring that principal risks are being managed effectively.</p>
<p>Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:</p>	<p>Not applicable</p>

Datix Risk Register Reference and Score:	
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Finance Committee Terms of Reference
Rhestr Termiau: Glossary of Terms:	Included in body of report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable