

OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

Date of Meeting: 9 June 2020

Paper No: 20/28c

Title of Presentation: Finance Committee Annual Report 2019/20

Is this paper for:	Discussion	✓	Decision		Information	
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Conflicts of Interest (please delete tick as appropriate)

No conflict identified	✓
Conflict noted: conflicted party can participate in discussion and decision	
Conflict noted, conflicted party can participate in discussion but not decision	
Conflict noted, conflicted party can remain but not participate in discussion	
Conflicted party is excluded from discussion	

Purpose and Executive Summary (if paper longer than 3 pages):

The Finance Committee is a committee of the Oxfordshire Clinical Commissioning Group Board, and in accordance with its terms of reference and with best practice, it is required to present an annual report to the Board.

The Board reviews the effectiveness and performance of all its committees and committee annual reports provide timely assurance for OCCG's Governance Statement included in the Annual Report.

This annual report, together with an updated performance self-assessment, and the Committee terms of reference, were reviewed at the May 2020 Committee meeting and is now submitted to the Board to provide assurance that the Committee has been operating effectively and in accordance with its terms of reference.

The Committee's 2018-19 performance review identified seven areas for improvement in 2019-20 and these are reported on in more detail in the report.

The Committee's 2019-20 performance review identified three additional areas for improvement in 2020-2021, in addition to the 'open' actions from the previous year. The Committee:

- requires additional assurances that the system has robust and embedded savings plans in place that enable organisations to deliver financial control targets for 2020/21 and beyond.
- will work closely with the Quality Committee to seek assurance that Quality and Safety Impact Assessments are available for all material QIPP schemes.
- seeks assurance that OCCG has reached agreement with Oxford Health as to the overall sustainable value of the activity and services being delivered and the new investment levels.

The Committee concluded it can demonstrate a high degree of compliance against its

effectiveness and performance checklist and will take the 'open' actions from last year and the two new 2019-20 review actions forward in 2020-21. In addition, the Committee recommends five changes to its terms of reference.

The 2020-21 Committee Workplan will be reviewed and agreed at its meeting on the 28th May 2020.

Engagement: clinical, stakeholder and public/patient:

Not Applicable

Financial Implications of Paper:

There are no direct financial implications arising from this report.

Action Required:

The Board is asked to review the Annual Report of the Finance Committee, which provides assurance that the Committee has been operating effectively and in accordance with its terms of reference

In addition, the Committee **recommends** to the Board, five changes to its terms of reference, as follows:

1. Delete Section 2.1.4 'The Finance Committee shall hold to account the executive team of the CCG for their respective areas of responsibility, and require full delivery plans as it deems appropriate' and replace it with 'The Finance Committee will provide an effective forum to scrutinise strategy and financial performance in more detail and provide assurance to the Board in relation to financial management and achievement of NHS business rules.'
2. Amend Section 2.2.1 'To review the draft of the three-year financial plan and budget and their value for money and to make recommendation thereon to the Board' with 'To review the draft of the five-year financial plan and annual budget and their value for money and to make recommendation thereon to the Board'.
3. Amend Section 2.4.1 'The Finance Committee shall comprise at least six Board members' to 'The Finance Committee shall comprise at least five Board members', as one of the lay members posts has not been reappointed to.
4. Delete Section 2.4.6 which requires the Chair to attend one Finance Committee meeting each year.
5. Add Section 2.2.13 'The Finance Committee will ensure that the emerging financial governance arrangements at ICP and ICS are robust and do not introduce additional financial risk for OCCG that cannot be mitigated in full'.

OCCG Priorities Supported (please delete tick as appropriate)

<input checked="" type="checkbox"/>	Operational Delivery
	Transforming Health and Care
	Devolution and Integration
	Empowering Patients

	Engaging Communities
	System Leadership

Equality Analysis Outcome:

Not Applicable in the context of the matters under review.

Link to Risk: AF32 – There is a risk that cost pressures against OCCGs allocation will lead to non-delivery of OCCG's statutory financial duty and NHSE business rules for CCGs. This will impact on future sustainability and viability and impact on providers and services

Author: Duncan Smith, Lay Member for Finance, Chair of Finance Committee

Clinical / Executive Lead: Gareth Kenworthy, Director of Finance

Date of Paper: 1 June 2020

Oxfordshire Clinical Commissioning Group
Finance Committee Annual Report
2nd March 2019 to 31st March 2020

Purpose of this report

The Finance Committee (Committee) is a committee of the Oxfordshire Clinical Commissioning Group Board (Board), and in accordance with its terms of reference and with best practice, it is required to present an annual report to the Board. The Board reviews the effectiveness and performance of all its committees and committee annual reports provide timely assurance for OCCG's Governance Statement included in the Annual Report. The reporting cycle does not allow work to review OCCG's final 2019-20 outturn position, which is undertaken during April and May.

This annual report, together with an updated performance self-assessment, and the Committee terms of reference, were reviewed at the May 2020 Committee meeting and is now submitted to the Board to provide assurance that the Committee has been operating effectively and in accordance with its terms of reference.

Introduction

It is best practice for committees to regularly assess their own performance and effectiveness and report the results to the parent body. Measures of success should be considered in the context of:

- What difference has the committee made to the organisation's financial reporting and control environment?
- Did the committee encounter any surprises during the year, e.g. unexpected adverse reports?
- Did the committee have to re-focus its planned activities during the year and if so, was this a proactive decision or for reactive reasons?

In addition, the Committee adapted the HFMA Audit Committee Self-Assessment Checklist to undertake a review of its effectiveness and the updated self-assessment is attached as Appendix A.

Overview of Committee

This Committee is a formal committee of the Board, with defined terms of reference (see the OCCG constitution and Scheme of Delegation). The Committee terms of reference were last reviewed in May 2019. The TOR are attached as Appendix A.

Unlike the Audit Committee, it is not the Committee's role to hold management to account for financial stewardship and performance, as its membership is a mix of executive officers and lay members. Therefore, it provides an effective forum to scrutinise strategy and financial performance in more detail and provide assurance to the Board in relation to financial management and achievement of NHS business rules. The Terms of Reference are not consistent with this approach and a change is recommended.

The Committee is very conscious that it must get the balance right between allowing the OCCG Executive Team to manage, reviewing the detail and obtaining the assurances it requires in relation to financial performance and its own role, to provide assurance to the Board.

Membership and Meetings

The Committee meets bi-monthly, however, there were a total of 10 meetings during this thirteen month period (7 last year), all of which were quorate. Additional meetings were arranged to enable members to scrutinise the CCG and BOB ICS 5-year plan and the 2020-21 financial plans. The membership of the Committee and attendance record are as follows:

Member	Title	Attendance
Duncan Smith (Chair)	Lay member	10/10
Roger Dickinson	Lay Vice Chair	9/10
Gareth Kenworthy	Director of Finance	8/10
Diane Hedges	Chief Operating Officer and Deputy Chief Executive	9/10
Ed Capo-Blanco	Locality Clinical Director	7/10

Other officers attended the Finance Committee on a regular basis, including

- Deputy Director of Finance – Financial reporting
- Head of Contracting and Procurement
- Head of PMO – Savings plans
- Assistant Director of Finance – Pooled budgets
- Lead Pharmacist – PIS

Duties within the Committee's Terms of Reference

The remit of the Committee is:

- The Finance Committee shall scrutinise and make recommendations on the Financial Plan and Budget of the CCG and its alignment to strategy. The Finance Committee shall monitor the CCG financial performance, policies, delivery, and value for money under the Financial Plan, directing remedial actions and risk management/mitigation activity where required.
- The Finance Committee shall provide a performance framework which proactively manages the CCG's Financial, Performance and Quality Innovation, Productivity and Prevention (QIPP) agenda.
- The Finance Committee shall hold to account the Executive Team of the CCG for their respective areas of responsibility and require full delivery plans as it deems appropriate.

The Committee reviewed its performance and effectiveness against the key duties of the Committee, as set out below.

Key duties of the Committee	Review
To review the draft of the Financial Plan and Budget and their value for money and to make	<p>The Committee:</p> <ul style="list-style-type: none">• discussed and agreed a strategic approach to the 2019-20 financial plan, budgets and contracting.• recommended to the Board a financial plan for 2019-

<p>recommendations thereon to the Board.</p>	<p>20 that was compliant with NHSE business rules including achievement of the Mental Health Investment Standard and retention of 0.5% NR headroom.</p> <ul style="list-style-type: none"> • scrutinised BOB ICS plans and savings requirements at each stage of submission. • received regular reports on the operational planning process and scrutinised NHSE submissions. • approved an internal investment policy. • supported the early adoption of a Financial Recovery Plan developed by the DoF. • did not make progress in-year, developing a framework of key VFM metrics.
<p>To review the QIPP/savings plans produced to manage CCG's identified financial risk within the Financial Plan and make recommendations thereon to the Board.</p>	<p>The Committee:</p> <ul style="list-style-type: none"> • received a detailed report on benchmarking data to identify the savings opportunities across the Oxfordshire system. • approved the annual savings plan and made a recommendation of its adoption to the Board, as part of the financial plan approval. • received regular reports on progress of the delivery of savings schemes against key milestones and savings targets. • received assurances in relation to the governance of the plans from the PMO. • scrutinised the strategic development of plans for 2020-21. • still requires greater assurance that during the transition to an Integrated Care System, the system saving schemes are in place and mitigations for slippage are effective. • expressed its concern in relation the lack of a robust rolling programme of material savings schemes across the 'system'. • requires additional assurances that the system has robust and embedded savings plans in place that enable organisations to deliver financial control targets for 2020-21.
<p>To review and approve individual business cases for investment and disinvestment within the limits of the Scheme of Delegation.</p>	<p>The Committee:</p> <ul style="list-style-type: none"> • did not approve any material business cases in 2019-20 • reviewed the pooled equipment budget and scrutinised the new contract proposal, receiving a six-month post implementation report. • received a detailed assurance report on the Mental Health Investment Standard.

<p>To regularly review financial performance against Plan and Budget and to receive a detailed report of the financial position and progress towards meeting the targets within CCG's Financial Plan including value for money.</p>	<p>The Committee:</p> <ul style="list-style-type: none"> • members received monthly finance reports and at Committee meetings scrutinised all material variances to plan and action to be taken by management to address variation – contract performance, balance sheet movements, BPF, pooled budgets, savings schemes. • tracks changes to allocations and plans through the monthly finance report. • received regular reports on the contract negotiation and assurances on agreement within the agreed financial envelope. • received the Integrated Performance Report on a quarterly basis and contract performance reports monthly. • reviewed the outturn position in 2019-20 and the underlying financial position and ongoing risks and mitigations to the financial position as the year has progressed. • kept the material risks to deliver of the financial plan under review and requested deep dives to provide assurance that the risks could be mitigated. • provided assurance to the board at each meeting on the management of the financial position. • based on trends and assurances in relation to risk, is confident that OCCG is on target to deliver the financial plan (month 11).
<p>To review CCG's arrangements and response to financial risk management. To monitor the implementation of QIPP schemes. Receiving updates on both the financial and activity performance of each scheme and directing remedial action where required.</p>	<p>The Committee:</p> <ul style="list-style-type: none"> • reviewed the financial elements of the Board Assurance Framework (BAF) and all financial operational risks at each meeting, to ensure that all relevant risks had been identified and were being mitigated appropriately by management. • was active in scrutinising the BAF and operational risk registers, making constructive observations on the controls, gaps in assurance and action plans. • escalated to the Audit Committee concerns in relation to management of the pooled budgets, which resulted in a tightening of financial controls. • monitors financial and activity performance in relation to its key NHS providers. • receives a regular summary analysis of non-NHS provider contract performance and explanation for plan variance. • escalated to management concerns about the HART service contract performance. • reviewed and made recommendations on the draft BOB ICS Memorandum of Understanding.

	<ul style="list-style-type: none"> • drew to the attention of the Board, the NHSE protocol for 'change in year'. • scrutinised and approved a Continuing Care Authorisation Policy, an area where OCCG has significant financial risk.
To monitor achievement against CCG incentive schemes. Receive a report of the actual and forecast performance to inform the achievement of incentive schemes.	<p>OCCG has two investment schemes:</p> <ul style="list-style-type: none"> • PIS (Prescribing) - The Committee approves the annual incentive scheme, receives in-year progress reports, and scrutinises performance and an outturn report. • LIS (Primary Care) – OPCOG approves the annual incentive scheme, receives in-year progress reports, and scrutinises performance and an outturn report. The local scheme is being replaced by a national contract for 2020-21.
To review business case for investments/transformation and service change schemes and to monitor finances, activity, and delivery against key performance indicators for each scheme.	<p>The committee:</p> <ul style="list-style-type: none"> • directly received two updates on the care home business case • approved and received six-monthly updates on the Prescribing Incentive Scheme performance. • requested a deep dive into the MSK contract performance and plans to address the significant variation to plan, scrutinising the requirement for investment • received a draft PID and further updates in relation to a plan to relocate two GP practices in Bicester.
To review changes to the financial plan and the letting of contracts/orders within the limits set by the Scheme of Delegation.	<p>The Committee:</p> <ul style="list-style-type: none"> • received regular updates on the negotiation of the Oxfordshire Health contract and reviewed the validity of the additional investment requested. • tracks changes to allocations and budgets through its monthly Finance Report. • considered the implications of the new NHSE oversight framework. • made changes to SFIs in relation to the delegated invoice authorisation in response to the impact on the business continuity risk. • approved the use of financial headroom at the year-end in accordance with principle agreed earlier in the year with the DoF, to address issues that had come out of the 2019-20 contract round – OUGH and OH • did not approve any contracts in 2019-20.
To identify and allocate resources where appropriate to improve	<p>The Committee:</p> <ul style="list-style-type: none"> • requires a QIP to be agreed in relation to all material QIPP schemes.

<p>performance.</p> <p>In approving any QIPP, investment/disinvestment schemes and business cases the Committee will always have regard to the findings and recommendations of the Quality Committee in respect of the assessed impact on patient and service safety and quality.</p>	<ul style="list-style-type: none"> • did not receive positive assurance that the Quality Committee was sighted on the annual QIPP and receives assurances on the impact of plans on services and patients. • Directly received a report on the clinical audit on schemes to prevent admission to hospital.
<p>To monitor the CCG co-commissioning and S.75 (of the NHS Act 2000) contracts and performance under such contracts together with the strategic approach to commissioning, procurement, and contract development.</p>	<p>The Committee:</p> <ul style="list-style-type: none"> • continued to highlight concerns on the financial reporting and financial risk of the pooled budgets, however, significant improvement has been observed over the last twelve months. • approved a revised risk sharing agreement. • receive and quarter performance dashboard and scrutinise any material variation to plan. • receives a detailed quarterly performance dashboard to facilitate better review of the activity within the pools and this has been refined further during the year. • will continue to work with the other Board committees to strengthen systems for escalating data quality issues that may undermine the commissioner placing assurance on information used in reporting and decision making.

In addition, the Committee adapted the HFMA Audit Committee Self-Assessment Checklist to undertake a review of its performance. the Committee systematically reviewed its 2019-20 effectiveness and performance against a checklist designed to provide an objective and auditable assessment:

- Constitution, establishment and general duties: The Committee assessed itself as fully compliant with best practice in this area, as it was properly constituted; reports regularly to the Board; members have sufficient experience and knowledge; it prepares an annual report; and assesses its own effectiveness.
- Meetings: The Committee has a work plan; the meetings are bi-monthly but the frequency may increase based on a risk assessment and the Committee still works to an escalation matrix in the event of a material risk to OCCG's financial position crystallising between meetings; reports it receives are timely; and when scrutinising information, there are examples where assurance has been sought in relation to some data.
- Other: The Committee considered the costs that it incurs and has varied the frequency of meetings based on a risk assessment to ensure appropriate focus on the key risks.

- Attendance: The Chief Executive may attend any Finance Committee meeting but shall attend and discuss, at least annually with the Finance Committee, the process for assurance that supports the financial plan. The Chief Executive attended two meetings during the year under review.
- Attendance: The Chair of the Board shall be invited to attend one Finance Committee Meeting each year in order to form a view on, and understanding of, the Finance Committee's operations. The Chair did not attend a Committee in this period of review but the five-year financial plan and budget was discussed in detail at two Board workshops and in the Executive Committee, and minutes of all meetings are submitted to the Board with a cover sheet. It is recommended that this requirement for the Chair to attend at least one Committee meeting annually is removed from the Terms of reference.

The previous year (2018-19) performance review identified seven areas for improvement in 2019-20. Where these actions have not been closed, they will be taken forward in 2020-21:

	Action	Update	Open/ Closed
1	Review its terms of reference to consider Oxfordshire system wide working.	Limited progress has been made in relation to the Integrated Care Partnership (ICP) financial governance framework and therefore, this action will be taken forward into 2020/21. The Committee continues to receive regular reports.	Open
2	Seek assurance that risk registers are kept up to date and effectively used to manage the risks to delivery of OCCGs operational plan priorities and escalate the need to develop an Oxfordshire 'system' risk framework.	The Committee reviews all risks rated 'high' relating to financial stewardship and performance at each meeting and has seen an improvement in the frequency of updating, recognising that the executive directors have been meeting regularly to review their risks but the Committee still feels that the registers are not fully imbedded into operational management. The Director of Governance has reviewed and is introducing 'system' (ICP) risks.	Open
3	Pursue the opportunity for system partners to develop comprehensive integrated quality and performance reporting across the health and care system.	The Committee has seen in its papers an increase in the reporting of financial and contract performance across the main NHS providers in Oxfordshire and broader performance in the Board's Integrated Performance	Open

		Report. However, it is the intention to develop an ICP Performance Delivery Report as part of the ICP governance framework.	
4	Continue to work with the other Board committees to further strengthen systems for escalating data quality issues that may undermine the commissioner placing assurance on information used in reporting and decision making.	Audit Committee (AC) now receives an annual report on data quality and a 2020/21 priority for AC is to map the national performance metrics against which OCCG is measured and held to account, to each of the Board committees, to ensure the committees obtain assurance on data quality before nation returns are made.	Closed
5	Review work being undertaken by the Executive Team to develop VFM metrics to support the Governance Statement and Annual Report.	No progress has been made in 2019/20.	Open
6	Work closely with the Quality Committee to be assured that QIA reports arising from material saving schemes are reviewed by the Quality Committee in the event there are material changes to patient pathways and services.	Process - The Finance Committee require confirmation from the PMO that QIA have been completed and scrutinised in relation to all material savings schemes.	Closed
7	Receive post implementation reports for all significant investments made by OCCG.	2019/20 material service investments: Some increases in 2019-20 for MH services and agreement, via an arbitration process for increases in investment in MH services in future years. <u>Investment in Primary care and Primary Care Networks.</u> <u>Katherine House Hospice - Investment to support sustainability.</u>	Open

The 2019-20 review against the Checklist identified further areas for improvement. The Committee:

- requires additional assurances that the system has robust and embedded savings plans in place that enable organisations to deliver financial control targets for 2020-21 and beyond.

- will work closely with the Quality Committee to seek assurance that Quality and Safety Impact Assessments are available for all material QIPP schemes.
- seeks assurance that OCCG has reached agreement with Oxford Health as to the overall sustainable value of the activity and services being delivered and the new investment levels.

The Committee has agreed that the frequency of Committee meetings will be flexed between monthly and bi-monthly to take into account the inherent financial risks in NHS finance and specific contractual risks faced by the CCG in any period, particularly the size of any in-year variation to plan or risk associated with system programmes of work. The committee continues to work to the internal escalation protocol, with financial triggers set out below, which may require additional reporting or meetings.

Event	Trigger	Action
Surplus - Actual or forecast deviation from plan.	£0.5m	Exception report within 5 working days to the Committee members
	£1.0m	Exception report within 5 working days to Committee members and formal meeting within 15 working days.
Any financial matter that materially changes the risk profile.	New high risk '20' - '25' Any risk rated below '20' moving to '20' - '25'.	Exception report, including mitigation within 5 working days to Committee members.

Conclusion

The Committee can demonstrate a high degree of compliance against its effectiveness and performance checklist and will take the 'open' actions from last year and the three new 2019-20 review actions forward in 2020-21.

In addition, the Committee **recommends** five changes to its terms of reference, as follows:

6. Delete Section 2.1.4 'The Finance Committee shall hold to account the executive team of the CCG for their respective areas of responsibility, and require full delivery plans as it deems appropriate' and replace it with 'The Finance Committee will provide an effective forum to scrutinise strategy and financial performance in more detail and provide assurance to the Board in relation to financial management and achievement of NHS business rules.'
7. Amend Section 2.2.1 'To review the draft of the three-year financial plan and budget and their value for money and to make recommendation thereon to the Board' with 'To review the draft of the five-year financial plan and annual budget and their value for money and to make recommendation thereon to the Board'.
8. Amend Section 2.4.1 'The Finance Committee shall comprise at least six Board members' to 'The Finance Committee shall comprise at least five Board members', as one of the lay members posts has not been reappointed to.
9. Delete Section 2.4.6 which requires the Chair to attend one Finance Committee meeting each year.

10. Add Section 2.2.13 'The Finance Committee will ensure that the emerging financial governance arrangements at ICP and ICS are robust and do not introduce additional financial risk for OCCG that cannot be mitigated in full'.

The 2020-21 Committee workplan will be reviewed and agreed at its meeting on the 28th May 2020.

Duncan Smith, Chair,
Finance Committee
Oxfordshire Clinical Commissioning Group
18th April 2020

Appendix A

2019-20 Finance Committee Effectiveness and Performance Self-Assessment Checklist – see separate file

Appendix B

Current Terms of Reference

2. Finance Committee

2.1 Remit

- 2.1.1 The Finance Committee shall scrutinise and make recommendations on the Financial Plan and Budget of the CCG and its alignment to strategy.
- 2.1.2 The Finance Committee shall monitor the CCG financial performance, policies, delivery, and value for money under the financial plan, directing remedial actions and risk management/mitigation activity where required.
- 2.1.3 The Finance Committee shall provide a performance framework which proactively manages the CCG's Financial, Performance and Quality Innovation, Productivity and Prevention (QIPP) agenda.
- 2.1.4 The Finance Committee shall hold to account the executive team of the CCG for their respective areas of responsibility and require full delivery plans as it deems appropriate.
- 2.1.5 The key duties of the Finance Committee are as set out in clauses 2.2 and 2.3 below.

2.2 Financial

- 2.2.1 To review the draft of the three-year financial plan and budget and their value for money and to make recommendation thereon to the Board.
- 2.2.2 To review the QIPP/savings plans produced to manage CCG's identified financial risk within the financial plan and make recommendations thereon to the Board.
- 2.2.3 To review and approve individual business cases for investment and disinvestment within the limits of the scheme of delegation.
- 2.2.4 To regularly review financial performance against plan and budget and to receive a detailed report of the financial position and progress towards meeting the targets within CCG's financial plan including value for money.
- 2.2.5 To review CCG's arrangements and response to financial risk management.
- 2.2.6 To monitor the implementation of QIPP schemes. Receiving updates on both the financial and activity performance of each scheme and directing remedial action where required.
- 2.2.7 To monitor achievement against CCG incentive schemes. Receive a report of the actual and forecast performance to inform the achievement of incentive schemes.

- 2.2.8 To review business case for investments/transformation and service change schemes and to monitor finances, activity, and delivery against key performance indicators for each scheme.
- 2.2.9 To review changes to the financial plan and the letting of contracts/orders within the limits set by the scheme of delegation.
- 2.2.10 To identify and allocate resources where appropriate to improve performance.
- 2.2.11 In approving any QIPP, investment/disinvestment schemes and business cases the Committee will always have regard to the findings and recommendations of the Quality Committee in respect of the assessed impact on patient and service safety and quality.
- 2.2.12 To monitor the CCG co-commissioning and S.75 of the National Health Service Act 2000 contracts and performance under such contracts together with the strategic approach to commissioning, procurement, and contract development.

2.3 Management

- 2.3.1 The Finance Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management, internal control, and value for money.
- 2.3.2 The Finance Committee may also request specific reports from individual functions within CCG as they may be appropriate to the overall arrangements.
- 2.3.3 The Finance Committee is authorised to approve the following, in line with the CCG scheme of delegation:
- changes to the approved financial plan between £250k and £1m.
 - authority to let contracts or orders between £500k and £1m.
 - business cases for investment/disinvestment between £250m and £1m (following appropriate assurance from the CCG Quality Committee on patient safety and service quality risks).

2.4 Membership

- 2.4.1 Members of the Finance Committee shall be known as (“Financial Committee Members”). Finance Committee Members shall be formally appointed by the Board. The Directors may each send a designated deputy if they cannot attend in person. The Finance Committee shall comprise at least five Board members:
- two Lay Board Members (including at least one qualified accountant)
 - one Locality Clinical Director
 - the Director of Finance
 - Director of Operations and Deputy Chief Officer
- 2.4.2 The Lay Board Member (Finance) shall be appointed Finance Committee Chair by the Board. In the absence of the Finance Committee Chair the remaining Finance Committee Members present shall elect one of themselves to chair a meeting of the Finance Committee (the “Finance Committee Meeting”).

- 2.4.3 Only Finance Committee Members have the right to attend a Finance Committee Meetings.
- 2.4.4 Any other member of the CCG management and relevant external advisers may be invited to attend as and when appropriate and necessary, particularly when the Finance Committee is discussing areas of risk or operation.
- 2.4.5 The Chief Executive may attend any Finance Committee meeting but shall attend and discuss, at least annually with the Finance Committee, the process for assurance that supports the financial plan.
- 2.4.6 The Chair of the Board shall also be invited to attend one Finance Committee Meeting each year in order to form a view on, and understanding of, the Finance Committee's operations.

2.5 **Quorum**

- 2.5.1 A quorum shall be three members of the Finance Committee including at least one Lay Board Member. If the Finance Committee is not quorate, the Finance Committee Meeting may be postponed at the discretion of the Finance Committee Chair. If the Finance Committee meeting does take place and is not quorate, no decisions shall be made at the Finance Committee meeting and such matters must be deferred until the next quorate Finance Committee Meeting.

2.6 **Frequency and Notice of Meetings**

- 2.6.1 The Finance Committee shall meet not less than four times each year and otherwise as required. Finance Committee Meetings shall be called by the Business Manager at the request of the Finance Committee Chair at not less than five working days' notice. One Finance Committee Meeting will be held immediately before the financial plan (as incorporated in the operating plan) is submitted to the Board for approval.