

# Charter

## Board Finance and Performance Committee as at January 2022

### 1. Purpose

The West Moreton Hospital and Health Service Board Finance and Performance Committee is responsible for assisting the Board in its oversight of West Moreton Health's (**WMH**) financial, commercial and performance-related policies, strategies and position. In fulfilling its responsibilities, the Committee will observe and promote the organisational values of connect, respect and excel.

The Regulation prescribes the establishment of a finance committee and provides that the Board may assign a different name to a committee if the name is appropriate, having regard to the committee's function. Consequently, the Board has established the Finance and Performance Committee (the Committee). In reviewing and applying the Committee's terms of reference, consideration must be given to the Board Charter.

### 2. Authority

The *Hospital and Health Boards Act 2011* (the **HHBA**) requires the West Moreton Hospital and Health Board (the **Board**) to establish a finance committee with the functions set forth in the *Hospital and Health Boards Regulation 2012* (**Regulation**). In accordance with this requirement, and in order to assist the Board to effectively and efficiently perform its functions, the Board has established a committee to be known as the Finance and Performance Committee (the **Committee**).

The Committee is an advisory committee of the Board and has no executive powers, unless the Board, by resolution, delegates a certain power to the Committee. The Committee may examine any matter in relation to its functions as it sees fit or as requested by the Board. Where a matter for consideration is beyond the scope of the Committee's functions, the decision is to be referred to another committee of the Board where relevant, or to the Board.

### 3. Functions

#### a) Specified in the *Hospital and Health Boards Regulation 2012*

In accordance with section 33 of the *Hospital and Health Boards Regulation 2012*, the Committee has the following functions:

- a) Advising the Board about the matters stated below
- b) Assessing WMH's budgets and ensuring the budgets are:
  - o Consistent with the organisational objectives of WMH
  - o Appropriate having regard to WMH's funding

- c) Monitoring WMH's cash flow, having regard to the revenue and expenditure of WMH
- d) Monitoring the financial and operating performance of WMH, including operational effectiveness, efficiency and sustainability;
- e) Monitoring the adequacy of WMH'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 WMH, and how WMH is managing the risks or concerns (e.g. the accuracy of the valuation of fixed assets; the adequacy of financial reserves)
- g) Assessing complex or unusual financial transactions or proposed transactions related to WMH

#### **b) Other Functions**

The Committee also has the following functions:

- a) Understanding the financial context/management of WMH
- b) Considering in detail land and asset transfers, and in particular the risks and financial delegations
- c) Being leaders in the hospital and health sector regarding commercial strategies for adoption by the Board
- d) Making recommendations to the Board on financial impact of services provided by WMH
- e) Providing advice to the Board on aspects of finance and resources relating to the provision of care and services in support of WMH's Strategic Plan
- f) Reviewing the financial position and performance of WMH in the current and forward years
- g) Ensuring that all financial and organisational performance improvement processes are coordinated and effective, and lead to the achievement of WMH's strategic priorities
- h) Overseeing progress against critical budget management objectives and ensuring appropriate action is taken to support improvements where necessary
- i) Taking a proactive approach to risk management by:
  - i. Identifying risks and mitigating strategies associated with all decisions, to ensure the ongoing financial viability of the organisation;
  - ii. Implementing processes to enable the Committee to identify, monitor and manage critical risks as they relate to the accountabilities of the Committee;
  - iii. Informing the Board Audit and Risk Committee (via the Board) of top line financial risks, mitigations and changes to the likelihood or consequences of those risks.
- j) Leading the organisational change in performance reporting culture.

#### **4. Reporting to the Board**

The Committee, via the Committee Chair, will provide prompt and constructive written and oral reports on its findings directly to the Board, highlighting issues it considers warrant Board discussion, approval or noting.

The minutes of each Committee meeting will be provided to the subsequent Board meeting or, if the subsequent Board meeting occurs within one week of the Committee meeting, the minutes will be provided to the following Board meeting.

#### **5. Membership**

The Committee consists of three or more members appointed by the Board, three of which must be members of the Board. Where the necessary skills do not exist on the Board, the Board may appoint an external member of the Committee.

Collectively, the Committee members will possess (or, with the consent of the Board, may obtain assistance from experts to assist them in possessing):

- A commitment to the continual improvement of the financial performance of WMH
- A high level understanding of sound financial practice
- A sound knowledge of financial information systems
- A high level of competency in financial matters and the ability to analyse financial and management reports.

The Board will review the Committee's composition as the need arises, but no less than annually.

At least one Committee member will have "financial expertise" as described in the Queensland Treasury publication, *Audit Committee Guidelines – Improving Accountability and Performance 2012*.

### **Presiding at Meetings**

The Committee Chair is to preside at all meetings of the Committee at which the Committee Chair is present. If the Chair is absent from a meeting or vacates the Chair at a meeting, a member of the Board chosen by the members is to preside on a temporary basis.

### **Attendees**

Attendees at Committee meetings comprise all members plus the Chief Executive, the Chief Finance Officer and the Corporate Secretariat.

### **Other Participants**

In addition, the Committee Chair or a majority of members may request the attendance at any meeting of any person who, in their opinion, may be able to assist the Committee in any matter under consideration. Subject to the absence of any conflict of interest, all Board members are entitled to attend Committee meetings.

### **Proxies**

Members are not permitted to appoint a proxy to attend a meeting on their behalf.

## **6. Voting at Meetings**

A question at a meeting of the Committee is decided by a majority of the votes of the members present. Each member present at the meeting has a vote on each question to be decided and, if the votes are equal, the member presiding also has a casting vote. A member present at the meeting who abstains from voting is taken to have voted for the negative. Non-member attendees at meetings are not able to vote on questions to be decided by the Committee at the meeting.

## **7. Quorum**

A quorum for a meeting of the Committee is one-half of the number of its members, or if one-half is not a whole number, the next highest whole number.

## **8. Written Resolutions**

Urgent matters can be progressed out-of-session with the agreement of the Chair. The Board Charter outlines processes for written resolutions of the Board and Board Committees.

## 9. Committee Evaluation

Unless otherwise determined by the Board, the Board will undertake an annual assessment of the Committee's performance, including its performance against the requirements of this Charter. Following each assessment, the Board will consider what, if any, actions need to be taken to improve the Committee's performance.

## 10. Confidentiality and Access

Members of the Committee may receive 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. This responsibility includes, but is not limited to, the obligations on Board Members outlined in the *Hospital and Health Boards Act 2011* in Part 7 Confidentiality.

Members of the Committee must ensure that all confidential or sensitive information is stored securely and otherwise in accordance with the requirements of the *Public Records Act 2002*. Committee members must notify the Chair if they believe that confidential or sensitive information has been accessed by anyone other than the Committee member.

The Committee has full, free and unrestricted access to all records, documentation and physical property and personnel as may be required to fulfil its responsibilities. WMH employees and management are expected to make themselves available to the Committee and give frank, truthful and meaningful answers to questions asked by Committee members.

## 11. Secretariat

Secretariat support will be provided by the Corporate Secretariat. The secretariat will be responsible for:

- Organising Committee meetings and Committee member attendance
- Coordinating the completion and dispatch of Committee agendas, Committee papers and briefing papers, in consultation with the Committee Chair and the Chief Executive
- Preparing minutes of meetings and resolutions of the Committee, in consultation with the Committee Chair
- Providing a point of reference for communications between the Committee and the Executive
- Advising the Committee on good governance practices and adherence to applicable laws and Board and Committee charters and procedures.

All members have direct access to the Corporate Secretariat for advice and services relating to the operation of the Committee.

## 12. Meeting Schedule

Meetings of the Committee are to be held at the times and places the Committee Chair decides. Unless otherwise agreed, the Committee will meet at least four times each year. Exceptional circumstances aside, Committee members will be provided with at least 48 hours' notice of meetings.

## 13. Charter Review

The Board will review this Charter as the need arises, but at least once every two years. Any changes to this Charter must be approved by the Board.

## 14. Publication of this Charter

A copy of this Charter will be made available at [www.westmoreton.health.qld.gov.au](http://www.westmoreton.health.qld.gov.au).

**15. Business Rules**

This Committee Charter should be read in conjunction with the Board Charter. The Board Charter outlines the general provisions and corporate governance framework that also apply to Board Committee meetings.

**16. Revision History**

Version	Date	Comments
2.0	27 March 2015	Rewrite of Finance Committee Charter
3.0	29 August 2016	Rewrite of the Finance Committee Charter
4.0	29 June 2018	Rewrite of the Finance Committee Charter (reinstatement to Version 2.0 with some amendments)
5.0	28 January 2022	Rewrite of the Finance and Performance Committee Charter

This Charter was approved by the Board at its meeting on 28 January 2022.

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*Michael Willis*

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Mr Michael Willis

Chair, West Moreton Hospital and Health Board