

# Finance and Performance Committee Terms of Reference

## Cairns and Hinterland Hospital and Health Board

### 1. Purpose

The Finance and Performance Committee is a formal Committee of the Board established in accordance with Schedule 1, Section 8 of the *Hospital and Health Boards Act 2011* and Section 33 of the *Hospital and Health Boards Regulation 2012*.

The purpose of the Finance and Performance Committee is to assist Cairns and Hinterland Hospital and Health Service (CHHHS) and its Board by providing oversight and strategic direction in the key areas of financial management, financial and operating performance, revenue management, legislative compliance and financial risks in provision of health services by CHHHS and its long term financial viability. In fulfilling its responsibilities, the Committee will observe and promote the core organisational values of accountability, compassion, integrity and respect.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of the CHHHS Board or other executive management groups within CHHHS.

### 2. Authority

The Finance and Performance Committee is an advisory Committee only. The Finance and Performance Committee has no decision-making powers, unless delegated to it by the Board.

In discharging its responsibilities, the Committee has the authority to:

- Conduct or authorise investigations into matters within its scope of responsibility.
- Access information, records and personnel of CHHHS for such purpose.
- Request the attendance of any employee, including Finance and Performance staff, at Committee meetings.
- Conduct meetings with CHHHS internal and external auditors, as necessary.
- Seek advice from external parties, as necessary.

### 3. Guiding principles

The *Hospital and Health Boards Act 2011* provides the following principles intended to guide achievement of the Acts objects. These principles guide all deliberations of the Committee:

- the best interests of users of public sector health services should be the main consideration in all decisions and actions under this Act;
- there is a commitment to ensuring quality and safety in the delivery of public sector health services;
- there is a commitment to achieving health equity for Aboriginal people and Torres Strait Islander people;
- there is a commitment to the delivery of responsive, capable and culturally competent health care to Aboriginal people and Torres Strait Islander people;
- 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; and
  - 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;
- maintaining impartiality and integrity in informing, advising and assisting the Government;
- promoting collaboration between Government and non-government sectors in providing services to the community;
- continuously improving public service administration, performance management and service delivery;
- managing public resources efficiently, responsibly and in a fully accountable way;
- promoting the Government as an employer of choice; and
- promoting equality of employment opportunity.

With specific reference to the *Financial Accountability Act 2009* (FAA 2009):

- adherence to the Financial and Performance Management Standard 2019 (subordinate legislation to FAA 2009), which provides direction in financial management with emphasis upon planning, performance management, internal control and corporate management.

## 4. Functions

The Committee has the following the functions:

- Assess the CHHHS' budgets and ensure the budgets are consistent with CHHHS' organisational objectives and are appropriate having regard to its funding.
- Review as part of the budget process any new services.
- Ensure budget meets Operational Plan to delivery strategy.
- Monitor the CHHHS' cash flow, having regard to its revenue and expenditure.
- Monitor CHHHS' financial and operating performance.
- Monitor the adequacy of the CHHHS' financial systems, having regard to its operational requirements and obligations under the *Financial Accountability Act 2009*.
- Obtain from management all financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of the CHHHS, and assess the risks and how CHHHS is managing the risks or concerns.
- Assess complex or unusual financial transactions carried out by the CHHHS.

- Ensure the CHHHS has systems in place to effectively monitor compliance with legislative and regulatory requirements and to promote a culture committed to lawful and ethical behaviour.
- Review the annual budget, minor capital works budget and MOHRI target.
- Monitor CHHHS minor capital works, and major capital works approved by the Director-General.
- Carry out any other function given to the Committee by the Board, if the function is not inconsistent with a function identified in paragraphs section 33 (a) to (g) of the *Hospital and Health Boards Regulation 2012*.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of the Board or other Finance and Performance management groups within CHHHS or the reporting lines and responsibilities of the CHHHS finance management structure.

The Committee will provide prompt and constructive reports on its findings directly to the Board, particularly when issues are identified that could present a material risk or threat to CHHHS.

## 5. Reporting

The Finance and Performance 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

Reporting will be in accordance with the agreed Work Plan endorsed by the Committee and the Board.

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 member.

## 6. Memberships

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.

The membership and composition of the Committee may be altered by resolution of the Board at any time.

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.

The following positions will be invited to attend each meeting:

- Health Service Chief Executive
- Chief Finance Officer
- Chief Operating Officer
- Executive Director Strategy Planning and Infrastructure

## 7. Other participants

The Chair may request Health Service Executive management team members, employees or external parties to attend a meeting of the Committee. Persons officially acting in a standing invitees' position may attend and participate in Committee deliberations/contribute to Committee recommendations provided they are suitably briefed prior to the meeting.

## 8. Quorum

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

## 9. Decision making

The Finance and Performance Committee is advisory in nature and does not have binding decision-making powers, unless these have been delegated to it by the Board in accordance with the *Hospital and Health Board Act 2011*.

## 10. 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 outcomes to the Board.

## 11. Confidentiality

All information acquired as a result of Membership to the Finance and Performance Committee is confidential to Cairns and Hinterland Hospital and Health Service and should not be disclosed either during appointment or after termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chair.

## 12. Ethical practices

To meet the ethical obligations under 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. This may relate to a position a member holds (e.g. Chair of an external organisation) or to the content of a specific item for deliberation.

Each member is required to declare all conflicts of interest at the beginning of every Finance and Performance Committee meeting if an agenda item indicates a conflict. If a conflict of interest arises during a meeting the member must disclose the conflict immediately.

All conflicts of interest and all pecuniary interests of all members are to be recorded in the Cairns and Hinterland Hospital and Health Service Register of Conflicts of Interest, which will be available at each Finance and Performance Committee.

## 13. Secretariat

Secretariat support will be provided by the Board Liaison Officer. The role of the Secretariat is outlined in the Board Business Rules.

## 14. Meeting schedule

The Finance and Performance Committee will meet monthly.

The Committee Chair may call additional meetings or alter meeting dates and frequency as necessary to address any matters referred to the Committee or in respect of matters that the Committee wishes to pursue. Such amendments shall be communicated to the Board in advance of proposed amendments.

## 15. Business rules

As per Board Business Rules which provides the corporate governance framework for Board and Committee meetings.

### Document history

<b>Date</b>	<b>Nature of amendment</b>
21/11/12	Draft TOR presented to the Finance and Performance Committee.
23/11/12	Draft reviewed and amended by Board
28/11/12	Endorsed by Board Finance and Performance Committee
27/03/13	TOR amended per Board Meeting Resolution 10 on 27/03/2013.
01/02/2017	Revised Finance and Performance Committee ToR prepared for Administrator Review and endorsed
26/06/2019	Draft revised TOR presented to the Finance and Performance Committee
03/07/2019	Approved by Board
30/09/2020	Draft revised ToR presented to the Finance and Performance Committee
02/12/2020	Approved by Board
01/02/2023	Approved by Board
15/01/2024	ToR under review
25/3/2024	Endorsed by Finance and Performance Committee
03/07/2024	Approved by the Board
10/10/2024	Under review
4/12/2024	Approved by the Board