



# Board Finance Committee Charter



# Our vision

Caring for our communities - *healthier together*

# Our values

- **Compassion** – We engage with others and demonstrate empathy, care, kindness, support and understanding.
- **Integrity** – We are open, honest, approachable, equitable and consistent in everything we do.
- **Dignity** – We treat others with respect, display reasonableness and take pride in what we do.
- **Innovation** – We embrace change and strive to know more, learn more and do better.
- **Courage** – We respectfully question for clarity and have the strength and confidence to Speak Up.

## Darling Downs Hospital and Health Service Board Finance Committee

### Version control

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# Darling Downs Hospital and Health Service Board Finance Committee Charter

## 1. Introduction

This document, to be known as the Board Finance Committee Charter, has been approved by the Darling Downs Hospital and Health Board ('the Board').

The purpose of this charter is to outline the role, responsibilities, composition and operating guidelines of the Board Finance Committee ('the Committee') in accordance with the *Hospital and Health Boards Regulation 2012*.

## 2. Role of the Board – Finance Committee

The role of the Committee is to provide independent assurance and assistance to the Board, by overseeing the financial position of the Darling Downs Hospital and Health Service (DDHHS).

The Committee's role is an oversight role and does not replace management's primary responsibilities for the management of the operations of the DDHHS.

The Committee will provide prompt and constructive reports on its findings directly to the Board, highlighting issues it considers are not being adequately addressed by management. The minutes of the Committee's meeting will be promptly provided to the Board.

## 3. Authorisation

The Committee has no executive powers.

The Committee is a "prescribed committee" under Part 7, section 31 of the *Hospital and Health Boards Regulation 2012*.

The Committee is an advisory group of the Board. In discharging its responsibilities, the Committee has the authority 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 of the DDHHS to carry out the Committee's responsibilities.

## 4. Scope of the Board – Finance Committee

The Committee is directly responsible and accountable to the Board for the exercise of its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee must at all times recognise that primary responsibility for governance and performance of the DDHHS rests with the Board.

In line with the *Hospital and Health Boards Regulation 2012* (s33), the Committee advises the Board on the following functions:

- (a) “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;
- (b) monitoring the Service’s cash flow, having regard to the revenue and expenditure of the Service;
- (c) monitoring the financial and operating performance of the Service;
- (d) monitoring the adequacy of the Service’s financial systems, having regard to its operational requirements and obligations under the Financial Accountability Act 2009;
- (e) 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;
- (f) assessing the Service’s complex or unusual financial transactions;
- (g) 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 (f)” (*Hospital and Health Boards Regulation 2012, Part 7, s34*).

**The Committee provides the following reports:**

Recipient	Report	Frequency	Responsibility
Board	Board Finance Committee Minutes	Monthly	Secretariat
Board	Annual Report summarising the performance for the previous year	Annually	Chair
Board	Matters for attention of the Board	As required	Chair

The Board Finance Committee receives reports from:

Report	Description / Type	Frequency	Responsibility
Chief Finance Officer Report	Summary	Monthly	CFO

**Issue Escalation**

- Issues unable to be resolved by the Committee are escalated to the Board.

## 5. Risk management

The Committee is to adopt a pro-active approach to risk management within the parameters of the Board Risk Appetite Statement.

The Committee will:

- Identify risks and mitigating strategies with all decisions and recommendations made.
- Implement processes to enable the Committee to identify, monitor and arrange management of risks as they relate to the scope of the Committee.
- Work collaboratively with the Board Audit and Risk Committee to manage risks as required.

## 6. Sub committees

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

The Committee is part of the DDHHS’s corporate governance framework. To the extent that there is any overlap in the responsibilities of the Committee and the other committees of the Board, those committees shall, directly or through the Board or management, endeavour to ensure that the overlap is dealt with in an appropriate manner. The Committee shall refer any issues that relate more appropriately to another committee to that other committee.

Each committee shall consult, where necessary, with the other committees to ensure that the committees’ plans are consistent with each other and with the DDHHS Strategic Plan.

## 7. Key Performance Indicators/Deliverables

Domain	Performance Indicator	Assessment/ Reporting Timeframe	Accountable Officer
Balanced operating position	Endorsement of budget build principles	28 February	CFO
	Endorsement of proposed Operational Budget	30 June	CFO
<b>DDHHS Strategic Plan 2020-24</b> – Achieve a sustainable financial position – Maximise value from our resources	Oversight Operating position	Monthly	CFO
Financial and Performance Management Standard 2009 s 16	A Financial Management Practice Manual exists for the HHS and is reviewed annually	1 July	CFO

## 8. Membership

The Committee shall have at least three (3) members. Members, including the Chair, will be members of the Board.

The term of appointment is up until 30 June 2021 and can be extended for a further term subject to an assessment of individual member performance and the composition and skill requirements of the Committee.

### Skills and Abilities of Members

Collectively, the Committee shall possess (and may obtain assistance from external consultants with consent from the Board to assist them in possessing):

- a commitment to the continual improvement in financial performance
- a high level of understanding of sound financial practice
- a high level of understanding of best practice in financial management
- a sound knowledge of information systems
- a strong business acumen, a high level of competency in financial matters and the ability to analyse financial and management reports.

### Chair

Dr Dennis Campbell

## Members

- Dr Ruth Terwijn
- Ms Marie Pietsch
- Ms Megan O’Shannessy
- Professor Julie Cotter

## Standing Invitees

Holders of the following positions may not be members of the Committee however are invited to, and expected to attend each meeting.

- Chief Finance Officer (CFO) – The role of CFO will be to report to the Committee and this position will: liaise closely with the Committee in relation to financial issues; ensure that all relevant financial issues and proposals are placed on the Committee’s agenda and that appropriate members of staff are available to brief the Committee; and report on financial outcomes affecting the DDHHS.
- Health Service Chief Executive (HSCE).
- Executive Director Legal and Governance.

## Proxies

- Proxies are not permitted if the member is unable to attend meetings.

## 9. Quorum arrangements

The quorum for the Committee meetings will consist of three (3) members, including the Chair.

## 10. Other attendees

Each DDHHS employee must provide full, frank and meaningful advice on any issue raised by the Committee within a reasonable time of receiving such a request and shall cooperate fully with the activities of the Committee in all respects.

The annual report of the Committee will include a statement as to the extent of cooperation provided to the Committee during the year.

## 11. Frequency of meetings

Meetings of the Committee must be held at least six times a year. In addition, the Committee Chair may call such additional meetings as may be necessary to address any matters referred to the Committee or in respect of matters the Committee wishes to pursue.

- Monthly.
- 2nd last Tuesday (or as determined by the Committee).

## 12. Agenda, Papers, Minutes, Actions and Summary

The Committee should determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks and threats.

## 1. **Agenda**

- » Members wishing to place items on the agenda must notify the Secretariat at least 10 working days prior to the scheduled meeting.
- » The agenda must be cleared by the Chair prior to distribution to Members.
- » Agenda and relevant (supporting) papers will be sent out to all Members 5 days prior to the meeting.
- » Late agenda items will be tabled at the discretion of the Chair.

## 2. **Papers, Submissions and Reports**

- » Agenda papers, submissions and reports will only be accepted if submitted through a Board Member.
- » Papers in respect to agenda items are to be supplied to the Secretariat no later than 10 working days prior to the scheduled meeting via email to DDHHS\_Board@health.qld.gov.au
- » Papers must be submitted on the correct briefing note template, available from Secretariat.
- » All papers must be submitted in Word format (as per original template).
- » The numbers and names of electronic attachments must mirror the numbers and names used in the brief.

## 3. **Minutes**

- » Minutes must be cleared by the Chair prior to distribution to Members.
- » Minutes (and action items) will be distributed to all Members within 5 working days of the meeting.
- » Minutes are included in the papers for the next meeting.
- » Minutes are taken as draft until they are ratified at the next Board meeting.
- » Minutes should comply with the Minuting Guidelines, as outlined in the Operational Guidelines.

## 13. **Urgent out of session matters**

Items can be managed Out-of-Session where:

- The item is urgent and must be considered before the next scheduled meeting.
- In circumstances when face-to-face meetings are not possible, to enable business to be progressed.
- Out of session matters must be minuted at the next meeting of the Board.

## 14. Conflict of interest

To meet the ethical obligations under the *Public Sector Ethics Act 1994*, 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.

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

Members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Members must not use DDHHS information for any 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 DDHHS.

## 15. Confidentiality

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.

Many of the issues and papers referred to the Committee will be of a confidential and sensitive in nature. The secretary and members should be mindful of this when receiving and circulating documents and information to the Committee. The members should maintain the Committee papers in a confidential manner separate from any other business or responsibilities of the member.

## 16. Decision making

Decisions are made by a majority of votes. Each member present at a meeting has a vote and if the votes are equal the member presiding has a casting vote. Members participating in a meeting by use of technology such as teleconferencing are taken to be present at the meeting.

A resolution is validly made by the Board, even if it is not passed at a meeting if:

- a. A majority of the Board members gives written agreement to the resolution.
- b. Notice of the resolution is given under procedures approved by the Board.

## 17. Evaluation

The Board will develop an annual work plan. The work plan is linked to Board functions, the DDHHS Strategic Plan and Service Agreement, and details the activities to be completed by the Board and its Committee’s during the financial year.

The Committee will be evaluated in terms of its performance against the approved Terms of Reference and the annual work plan through an annual self-assessment process.

Periodically the chair will discuss professional development and training needs for all members of the committee. When needs are expressed the Secretariat will make arrangements for approved training requirements.

## 18. Secretariat

The Secretariat support will be provided by the Darling Downs Hospital and Health Service, Chief Executive Office. The role of the Secretariat is outlined in the Board Operational Guidelines.

## 19. Changes to the Charter

These Terms of Reference may be altered following Committee consultation and endorsement by the Chair of the Committee and approval by the Board.

These Terms of Reference will be reviewed in June of each year in conjunction with the annual committee performance evaluation.

This Darling Downs Hospital and Health Board – Finance Committee was formally approved by the Darling Downs Hospital and Health Board on 23 February 2021.

### Chairperson

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Signature

**Mr Michael Horan AM**

*Chair*

Darling Downs Hospital and Health Board