

**FINANCE AND INVESTMENT COMMITTEE
TERMS OF REFERENCE**

1 Formation of this committee

The board has established a committee, known as the Finance & Investment Committee, (the Committee) reporting to the board, in accordance with standing order 6 for the practice and procedure of the board of directors (annex 8 of the constitution).

The Committee shall have terms of reference and powers and be subject to such conditions, such as reporting back to the board, as the board shall decide and shall act in accordance with any legislation and regulation or direction issued by the regulator.

2 Role

The Finance and Investment Committee shall conduct independent and objective review of financial and investment policy and performance issues.

3 Membership of the committee

The Committee will comprise of all members of the board.

4 Chair of the Committee

The chair of the Committee shall be the chair of the board. In their absence their place shall be taken by the deputy chair of the board, or in their absence by another independent non-executive director.

5 Quorum

Five members, including not less than two executive directors, one of whom must be the chief executive or another executive director nominated by the chief executive, and not less than two non executive directors shall form a quorum.

6 Meetings

The Committee shall meet as required, normally four times per year, but as a minimum annually to approve the investment policy and annual financial targets.

7 Attendance at meetings

The Committee may invite other Trust staff to attend its meetings as appropriate.

The Committee is authorised by the Board of Directors to request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary.

8. Notice of meetings

Meetings of the Committee shall be called at the request of the chair. Notice of each meeting, including an agenda and supporting papers shall be forwarded to each member of the Committee not less than five working days before the date of the meeting.

9. Minutes

Minutes of all meetings of the Committee shall be taken and kept by the executive secretary to the board of directors or a deputy.

10. Reporting arrangements

The proceedings of each meeting of the Committee shall be reported to the next meeting of the board of directors.

11. Responsibilities

11.1 Financial Policy, Management and Reporting

11.1.1 To consider the Trust's medium term financial strategy, in relation to both revenue and capital.

11.1.2 To consider the Trust's annual financial targets before submission to the Board of Directors and performance against them.

11.1.3 To monitor the Trust's working capital position,

11.1.4 To develop the Trust's operating cash policy and monitor compliance with same.

11.2 Investment Policy, Management and Reporting

11.2.1 Develop the Trust's investment policy and ensure this is maintained to fit with best practice.

11.2.2 To maintain an oversight of the Trust's investments, ensuring compliance with the Trust's policy.

11.2.3 Review business cases for major investments, defined as greater than £500,000, against the Trust's strategy and test compliance with the investment policy.

11.2.4 To ensure appropriate independent advice is sought in relation to major investments;

11.2.5 Review and consider the Trust's financing strategy.

11.2.6 Consider post project evaluation reports on significant capital investments.

11.3 Other

11.3.1 To monitor, and make recommendations on as necessary, the adequacy and effectiveness of the Trust's performance reporting.

11.3.2 Making recommendations to the Charity Trustees regarding funds that have been identified by Trustees as being held for investment purposes.

11.3.3 To examine any other matter referred to the Committee by the Board of Directors.

12 Duties of the chair

The duties of the chair of the Committee shall be to:

- Compile an agenda to be provided 5 working days prior to each meeting;
- Keep the Board of Directors informed of any material matter which has come to the attention of the Committee;
- Ensure that the minutes of the Committee are an accurate reflection of discussion; and
- Ensure the minutes of all meetings are formally recorded and submitted, together with recommendations where appropriate, to the Board of Directors.
- Provide, on behalf of the Committee, as annual report to the Chairperson of the Audit Committee, advising him/her of the work of the Committee and of any matters which are relevant in relation to the proposed Statement of Internal Control.
- Review the Terms of Reference of the Committee at least annually and present revised terms of reference to the Board of Directors for approval

13 Authority

The Committee is authorised by the board of directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the board of directors to obtain reasonable external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience or expertise, if it considers this to be necessary.

14. Administration

The Committee shall be supported administratively by the executive secretary to the board of directors, who will agree the agenda with the chair, produce all necessary papers, attend meetings to take minutes, keep a record of matters arising and issues to be carried forward and generally provide support to the chair and members of the Committee.

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