

**Agenda Item 46/11**

**The Scheme of Governance for  
West Hertfordshire Hospitals NHS Trust**

*A guide to the way the Trust works*

***Discussed and approved by the Trust Board March 2011  
Review Date Feb 2014***

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## **INTRODUCTION**

NHS organisations are being required to develop strong organisational governance arrangements, modelled on the best examples from the private and public sector. The purpose of this document is to describe the arrangements that operate within West Hertfordshire Hospitals NHS Trust to ensure that the Trust can meet the expectations of a large, public service body.

The Independent Commission on Good Governance in Public Services<sup>1</sup> describes good governance as falling into six broad areas:

1. Focussing on the organisation's purpose and on outcomes for citizens and service users
2. Developing the capacity and capability of the governing body to be effective
3. Taking informed, transparent decisions and managing risk
4. Promoting values for the whole organisation and demonstrating good governance through behaviour
5. Performing effectively in clearly defined functions and roles
6. Engaging stakeholders and making accountability real

Specific NHS governance requirements have been put in place to help in this process. For example, Monitor has increased its focus on governance activities, by both bringing out guidance<sup>2</sup> and increasing the significance of governance arrangements in its assessments of potential NHS Foundation Trusts. Standards for Better Health<sup>3</sup> include a governance domain (supplementing governance requirements in other domains, such as Patient Safety) and the Healthcare Commission are in the final stages of launching an improvement review on governance for all NHS organisations. The Department of Health itself has issued a plethora of governance-related guidance, including guidance on the role of audit committees<sup>4</sup>, responsibilities relating to safety<sup>5</sup> and, most significantly, the Integrated Governance Handbook<sup>6</sup>. Recent publications have included the Intelligent Board<sup>7</sup> and the Healthy Board<sup>8</sup>

The Integrated Governance Handbook has been described by the Finance Director of the NHS as "the platform on which local NHS organisations should build improved accountability, strategy and leadership systems". It lays out a programme of reforming local governance arrangements with the aim of better decision making, leaner committee structures, achieving a stepped change in accountability arrangements and ensuring that governance systems deliver value for money. This document aims to ensure that the governance arrangements for the Trust match this template of good practice.

Accordingly, this document sets out the systems and structures that currently exist within the Trust to deliver good governance. Changes have already been put in place to ensure

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<sup>1</sup> "The good governance standard for public services" – draft for consultation published September 2004 by the Independent Commission on Good Governance

<sup>2</sup> "NHS Foundation Trust Code of Governance" – draft for consultation published December 2005 by the Independent Regulator of NHS Foundation Trusts

<sup>3</sup> "Standards for Better Health" published July 2004 (updated April 2006) by the Department of Health

<sup>4</sup> "The NHS Audit Committee Handbook 2005" published October 2005 by the Department of Health

<sup>5</sup> For example "Going further faster: A pocket guide for chief executives and boards" published May 2006 by the Department of Health

<sup>6</sup> "Integrated governance handbook" published February 2006 by the Department of Health

<sup>7</sup> "The Intelligent Board" published February 2006 by the Appointment Commission

<sup>8</sup> "The Healthy Board" published February 2010 by the national Leadership Council

### *Scheme of Governance*

that current arrangements are fully in line with the best practice of other organisations and those detailed in the *Healthy Board* and *Intelligent Board*. The Trust has delivered the necessary changes, ensuring that they reflect emerging national models for good governance. The detail set out below will:

- Enable the Trust to demonstrate that it has good business processes and structures in place
- Provide a structure within which every member of the Trust can work
- Demonstrate the decision making processes within the Trust
- Provide clarity to our stakeholders about how we operate and undertake our business
- Ensure that decision-makers are identifiable
- Show openness and transparency in the decisions we take

The remainder of the document is set out in four sections as follows:

- Section one sets out background information to the Trust
- Section two describes the Trust's aims, values and objectives
- Section three describes the role of the Board and its sub committees and of the Chairman, Chief Executive, Executive Directors, Trust Secretary and Non Executive Directors
- Section four describes the role and function of the Trust Executive
- Appendix A sets out the Terms of Reference for the Trust Board Sub Committees

## **SECTION 1 – BACKGROUND INFORMATION**

This section provides background information on the establishment of the Trust, where the Trust provides services and an overview of the size of the Trust and its key relationships.

### **Establishment Order**

West Hertfordshire Hospitals NHS Trust was established under Statutory Instrument 2000/732 made on 13 March 2000, which came into force on 23 March 2000. This Order provides the legal basis on which to provide services and run the hospitals at Hemel Hempstead, Watford, and St Albans. It also establishes the creation of a Trust board, made up of a Non Executive Chairman and five other Non Executive Directors and Executive Directors in order that the business of the Trust can be properly discharged.

### **Description of the Trust**

West Hertfordshire Hospitals NHS Trust provides a wide range of hospital services to the catchment population covering Dacorum, St Albans and Harpenden, Watford, Three Rivers, Hertsmere, and parts of Hillingdon and Harrow.

West Hertfordshire Hospitals NHS provides services from three sites – Hemel Hempstead, Watford and St Albans City. The Trust provides a comprehensive range of services from across the sites. In March 2009 all acute in-patient and A&E services were concentrated onto the Watford site. St Albans City Hospital is the site for planned surgery. Hemel Hempstead hospital remains part of the portfolio of the Trust as a local general hospital. On site at Hemel there are Out-patient clinics, a 24/7 Urgent Care Centre, Diagnostics and Intermediate Care. Out-patient and diagnostic services are also provided at Watford and St Albans City Hospitals.

For the financial year 2010/11 the Trust's budget was just under £250m. It has been commissioned to provide approximately 98,160 first out patient appointments, 180,415 follow up appointments, 33,597 elective episodes of care and 36,129 non-elective attendances. **(Check details)**

West Hertfordshire Hospitals NHS Trust is an active participant in the West Hertfordshire Quadrant, working alongside the NHS Hertfordshire (the PCT). NHS Hertfordshire commissions over 80% of the Trust's activity. The PCT provider arm became a Trust in November 2010, as Hertfordshire Community Health Service Trust. The Trust also works closely with Hertfordshire Partnership Trust (a specialist provider of mental health and learning disability services) and the East of England Ambulance and Paramedic Services NHS Trust and Adult Care Services, provided by Hertfordshire County Council.

**A white paper – Equality & Excellence - Liberating the NHS<sup>9</sup>, published in July 2010, sets out the Government's long-term vision for the future of the NHS. It involves large structural reorganisation of the NHS:**

- Abolition of PCTs and SHAs
- GP commissioning
- NHS Commissioning Board
- Public Health moving to local authorities
- Outcome focussed for patients

**This will have a fundamental impact on the way the Trust will operate and will be closely monitored as it develops.**

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<sup>9</sup> “Equality & Excellence -Liberating the NHS, published July 2010 by Department of Health

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The current policy is for all Trusts to apply to become Foundation Trusts (FTs) by 2012/13. WHHT is applying for this status and expects to be before Monitor, the Independent Regulator, during the financial year 2011/12. Whilst it is recognised as challenging for the Trust, it is the right business model for the Trust to adopt as it puts patients at the heart of the business. If successful, the Trust can expect to receive authorisation during 2011/12.

The diagram below show the nature of the services offered on each of our core sites.

		Watford	St Albans	Hemel Hempstead
<b>Maternity &amp; new born</b>		Consultant delivery unit Midwife birthing unit Antenatal, intrapartum and post natal clinics and specialist antenatal services Community midwifery	Antenatal clinics Community midwifery	Antenatal clinics Community midwifery
<b>Children's health</b>		Inpatient unit Day surgery Medical day care Outpatients	Outpatients	Outpatients
<b>Acute care</b>		Accident and Emergency Acute Admissions Unit (AAU) Acute wards Critical care Emergency surgery	Minor Injuries Unit (MIU) Urgent Care Centre (UCC)	Step down beds UCC
<b>Planned care</b>	<b>Surgery</b>	Complex cases Limited day surgery Outpatients	Elective and Day surgery centre Outpatients	Outpatients
	<b>Medicine</b>	Endoscopy Cardiology Chemotherapy Outpatients	Outpatients	Outpatients
<b>Sexual health</b>		Hub of clinical service Family planning HIV GUM	Family planning GUM	Family planning GUM
<b>Clinical support</b>		X Ray Computerised Tomography Scanning (CT) Magnetic Resonance Imaging Scanning (MRI) Ultrasound Nuclear Medicine Cardiac Catheter Laboratories Cardiac and lung function 'Hot' and 'Cold' Pathology	X Ray Ultrasound Mammography Cardiac and lung function Blood/specimen collection	X Ray CT MRI Ultrasound Nuclear Medicine Cardiac and lung function 'Cold' Pathology

## **SECTION 2 – THE PURPOSE OF THE TRUST**

This section describes the aims, values and objectives of the Trust. These set the framework within which the governance arrangements operate. Staff should be familiar with these aims and objectives and be able to explain them to stakeholders and service users.

### **The Trust's Vision**

To embody in our hospitals all the principles, values and the sense of service that created the NHS by providing consistently good safe care in a friendly, listening and informative way, as and when people need and want it and always with dignity and respect.

### **The Trust's Aims:**

- To deliver high quality acute health care that meets patient expectations, provides outstanding value for money and meets the performance standards required of an NHS body
- To provide high clinical standards and have high expectations
- Ensure services are focused on the patient and managing all aspects of the patient experience whilst under our care
- Do the things only we can do, and do them well
- Develop clear linkages with primary care
- Be responsive and adaptive to change and innovation

### **The Trust's Values**

The Trust's values underpin the culture that the Trust is seeking to establish. The Trusts seeks to be an organisation that:

- has a clarity of purpose and direction
- is open to learning and change
- supports improvement of services
- has an involved workforce which is valued and developed
- is outward looking
- has effective support systems that enhance the efficiency of clinical services
- develops an emphasis on efficiency and productivity

The Trust provides a full range of acute hospital services for the local population of West Hertfordshire and some neighbouring communities.

The Trust's core business is to:

- Deliver a full range of emergency secondary care services, including intensive and high dependency care
- Provide a comprehensive range of planned in and out patient services, in an environment of patient choice and contestability
- Ensure that a broad span of diagnostic services is available locally.

The three main hospitals have complementary but differing roles:

- Acute emergency care and complex elective care is provided at Watford

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- Hemel Hempstead Hospital offers a range of locally based services including an Urgent Care Centre not requiring the full backup of a major hospital with intensive care
- St Albans has the dedicated elective centre for West Hertfordshire focussing on daycase and less complex care and also offers a wide range of other services.

The Trust also delivers services from a range of community based settings.

In 2009 the Trust completed a successful programme of major service rationalisation across the three hospitals described above. The Trust continues to ensure that the benefits of this reconfiguration in terms of improved quality outcomes, patient experience and cost reduction are realised. Integral to this approach is the Trust's contribution to the Quality Innovation Productivity and Prevention (QIPP) programme - driving up quality whilst improving productivity - as set out in the Annual Plans.

The Trust will always be subject to external influences, which will affect the way in which it shapes and delivers services in the future. The Trust will understand the market in which it operates and will respond to these challenges with a dual focus on Patients and Delivery. The Trust will take every opportunity to influence the local and national agendas by ensuring that it participates actively with staff, stakeholders and the local population. The FT process will strengthen this through the establishment of a membership body with an elected governing body, known as the Governing Council. The Trust will ensure that the working arrangements within the Trust are transparent and accessible to both our staff and the wider public.

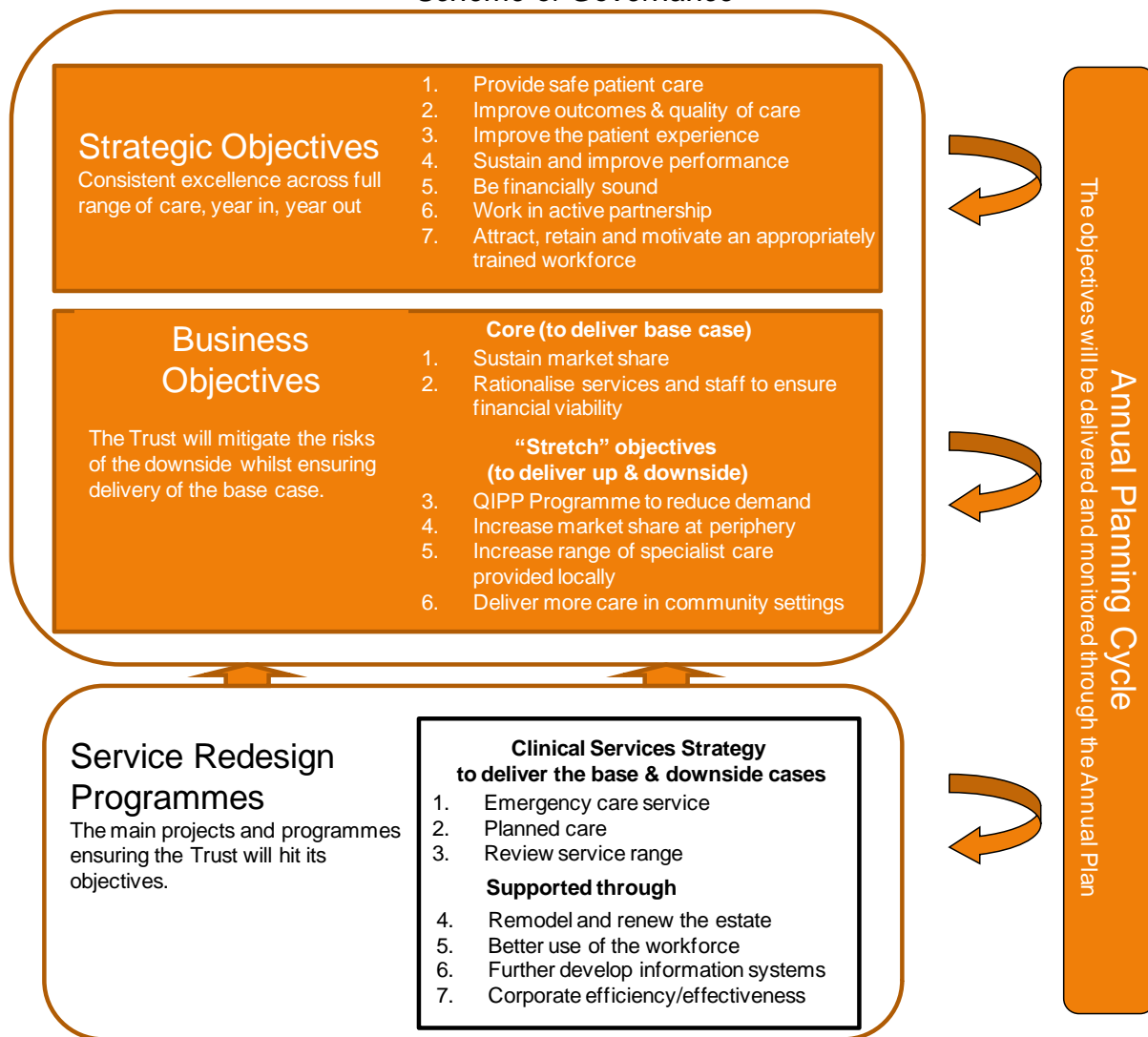
The overall business strategy is to sustain the Trust's position as the local provider of choice for secondary care services in west Hertfordshire. With a catchment population of around half a million people the Trust has the critical mass to provide a comprehensive range of high quality and robust secondary care services to local people.

### **The Strategic Objectives of the Trust**

The Trust's strategic objectives are linked to the Trust's Board Assurance Framework and are articulated in the Trust's 5 Year Integrated Business Plan. These are listed below:



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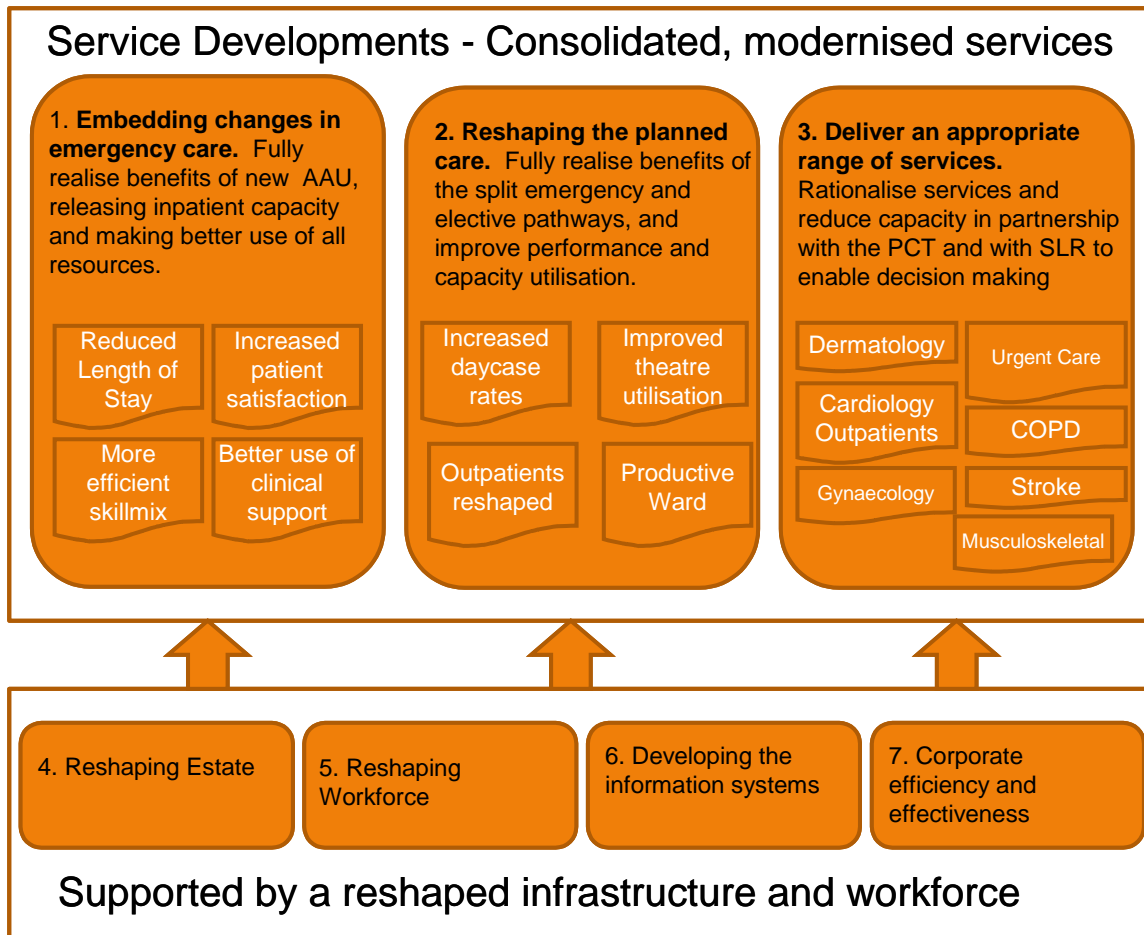


These objectives inform the business of the Board, the Executive and the Divisions. They form the substance around which the governance framework provides the structure and process.

The business risks to delivering the above can be summarised as:

<b>Business Risk 1</b>	Faster Shift from Acute to Community than planned for
<b>Business Risk 2</b>	Quality versus Underachievement of CIPs
<b>Business Risk 3</b>	Quality of Estate

Delivering the vision over the next five years will depend on a programme of whole system focussed service redesign to deliver the benefits planned from the Trust’s recent reconfiguration together with the challenging CIP and financial requirements going forward



## **SECTION 3 – THE TRUST BOARD AND ITS SUB COMMITTEES**

This section of the document describes the roles and responsibilities of the Trust Board, its sub committees, the roles and responsibilities of the Trust Chairman, Chief Executive, Non Executive Directors, Executive Directors and Trust Secretary.

Governance of the Trust is a process designed to ensure that the Trust is doing its 'reasonable best' to manage itself in order to meet the objectives of the organisation, and to protect patients, staff, the public and other stakeholders against foreseeable risks. It is defined by the Audit Commission as: "The framework of accountability to users, stakeholders and the wider community, within which organisations can take decisions and lead and control their functions, to achieve their objectives."<sup>10</sup>

The Trust Board is the body that discharges the responsibilities of the Trust. The Board has agreed systems of delegated responsibilities and governance systems to support it in this role. These delegated responsibilities are to individuals, formally identified groups (sub-committees and working parties) or external parties. The aims of these delegations are:

- To meet Statutory or better practice requirements
- To give focus and attention to key issues facing the Trust
- To provide an enhanced degree of scrutiny

Further details of formally agreed delegations can be found as part of the Standing Orders and Standing Financial Instructions in section 4.

### **Trust Board**

The board includes a balance of executive and non-executive directors such that no individual or small group of individuals can dominate the board's decision making. At least half the board, excluding the Chair, should comprise non-executive directors.

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. Non-Executive directors are responsible for performance evaluation of the Chair and should take into account the views of executive directors.

### **The Public/Decision Making Interface**

The Trust board has a statutory requirement to meet and take decisions in public. In April 2008, the Board agreed to move to bi-monthly meetings, with the intervening month used for Board Development opportunities.

The format for public Board Meetings follows the principles outlined in the Healthy Board, published in 2010 which gives emphasis to Strategic and Operational issues and covers areas such Strategic Developments, Patient Safety, Performance, Quality, Risk, Public Involvement, Finance, and Governance.

The principal responsibilities of the Board can be summarised as follows:

- To provide leadership to the Trust.
- To set the strategic direction, define the annual and longer-term objectives and approve the policies and plans to achieve them.
- To lead the culture of the Trust through example

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<sup>10</sup> Corporate Governance Inspection: Key Lines of Enquiry published May 2006 by the Audit Commission

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- To monitor performance against the objectives and to recommend remedial action as necessary. This includes setting tolerances for reporting deviations from plans or agreed levels of performance.
- To ensure stewardship over financial and other resources
- To determine resource priorities.
- To ensure the Trust meets external requirements in respect of high standards of quality in healthcare provision, safety, governance and corporate behaviour.
- To appoint, appraise and remunerate senior executives.
- To ensure effective dialogue between the Trust, patients, staff, partners, the local community, elected representatives, media, Ministers and stakeholders.
- To ensure effective communication of the decisions agreed.

These responsibilities reflect the five particular duties in Statute of NHS Boards, which are:

1. The duty to achieve financial balance
2. The duty of quality, through clinical governance
3. The duty of patient and public involvement
4. The duty to the staff
5. The duty of partnership, with the local health and social care economy

### **The Role of Sub-Committees of the Board**

The Sub-Committees of the Board, all of which are chaired by Non-Executive Directors, provide scrutiny of the key areas of Trust business and meet statutory requirements. Sub committees of the Board meet at regular intervals as agreed with each committee chairman.

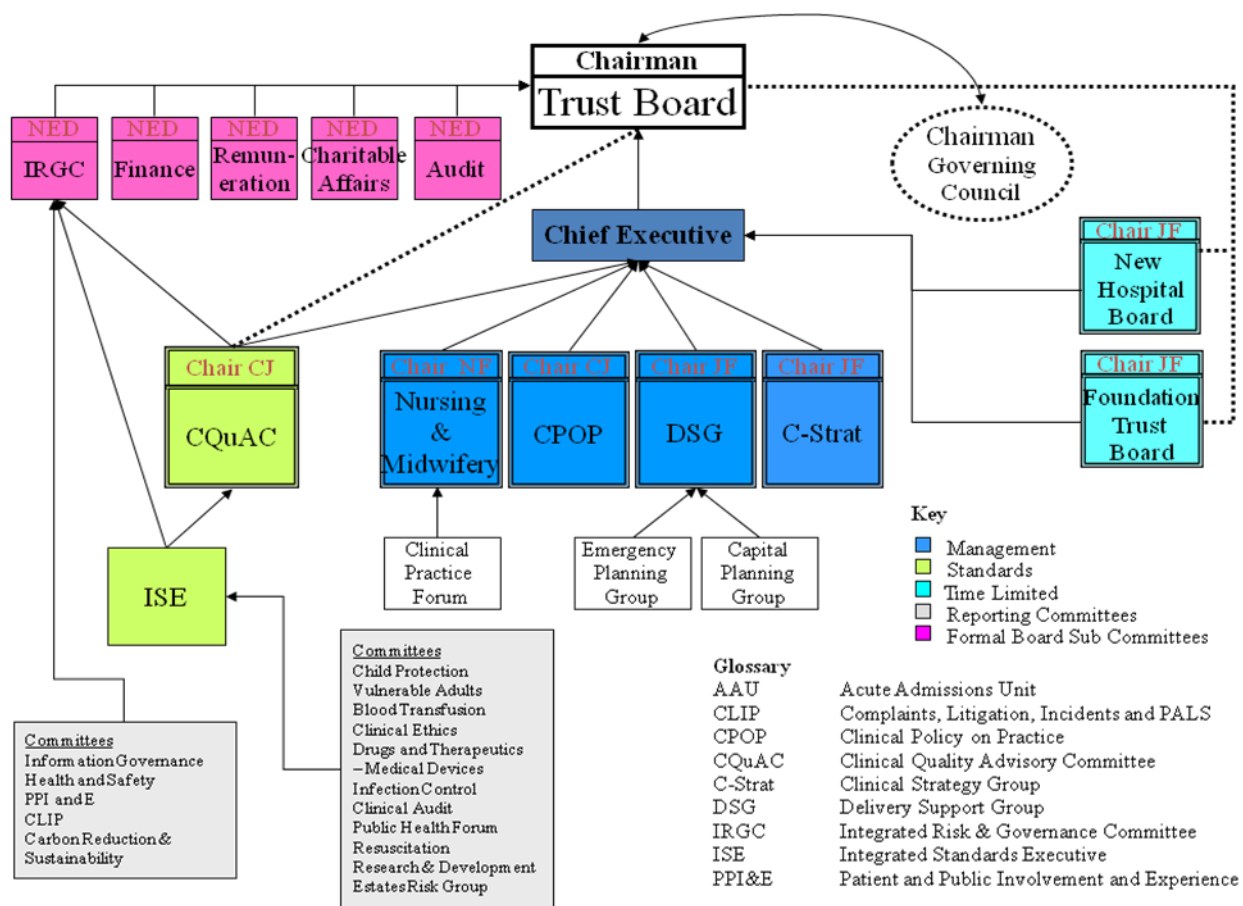
The Trust Board has established the following Sub-Committees:

- Audit
- Remuneration
- Finance
- Integrated Risk and Governance
- Charitable Affairs

In addition, the Trust will need to establish a Nominations Committee when it becomes a Foundation Trust

The Sub-Committee structure is set out below. The Terms of Reference are detailed in appendix A.

## **TRUST BOARD AND SUB-COMMITTEE ORGANISATIONAL STRUCTURE**



### **The Role of the Chairman**

The Chairman of the Trust Board is responsible for the leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda. The Chair should facilitate effective contribution of non-executive directors, in particular ensuring constructive relations between executive and non-executive directors. The chair has overarching responsibility for ensuring the organisation meets its objectives for governance and service delivery, and provides a clear direction for its culture and values. This specifically entails:

1. To organise the composition, business and efficiency of the Board
2. To work with the relevant bodies and officers to ensure that the Board has amongst its ranks the appropriate skills and experience to discharge its responsibilities
3. To liaise with the NHS Appointments Commission regarding the achievement of 2. above
4. To work with the Chief Executive (CEO) and Trust Secretary to ensure that the Board discharges its business efficiently and effectively
5. To lead the Board in the determination of strategy, agreement and achievement of its objectives
6. To work with appropriate officers to ensure the Board has accurate and clear visibility of performance and receives relevant contextual information

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7. To ensure Board Sub-committees are properly established and effectively operated and evaluated
8. To ensure effective relationships are maintained with all key stakeholders, internal and external
9. To enhance the Trust's public standing and image overall
10. To develop an effective working relationship with the CEO with clear understanding of roles and responsibilities. This will include carrying out the setting of objectives and performance appraisal of the CEO, in partnership with the remuneration committee
11. To set objectives for and performance appraise the Non-Executive Directors of the Trust
12. To relate to the Chair of the Strategic Health Authority in furtherance of the best interest of the Trust
13. To represent the Trust at appropriate forums, such as with colleague Non-Executive Directors with the NHS Confederation

The Chairman is personally accountable to the Secretary of State for Health, and embodies corporate accountability to the local community and the hospital staff for delivery of the Trust's objectives.

### **The Role of the Board**

The Francis Report into events at Mid-Staffordshire NHS Foundation provided a sobering illustration of why good leadership is vital to delivering quality and safe services for patients. NHS boards must put quality at the heart of all they do.

The purpose of the Boards is to govern effectively and in doing so to build public and stakeholder confidence that their health and healthcare is in safe hands. This fundamental accountability to the public and stakeholders is delivered by building confidence:

- In the quality and safety of health services
- That resources are invested in a way that delivers optimal health outcomes
- In the accessibility and responsiveness of health services
- That the public can appropriately shape health services to meet their needs
- That public money is spent in a way that is efficient and effective.

Effective NHS boards demonstrate leadership by undertaking three key roles as described in the Healthy NHS Board:

- Formulating strategy for the organisation
- Ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable
- Shaping a positive culture for the board and the organisation.

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Governance of the Trust is a process designed to ensure that the Trust is doing its 'reasonable best' to manage itself in order to meet the objectives of the organisation, and to protect the patients, staff, public and other stakeholders against foreseeable risks. It is defined by the Audit Commission as: "The framework of accountability to users, stakeholders and the wider community, within which organisations can take decisions and lead and control their functions, to achieve their objectives."

The Trust Board is the body that discharges the responsibilities of the Trust. The Board has agreed systems of delegated responsibilities and governance systems to support it in this role. These delegated responsibilities are to individuals, formally identified groups (sub-committees and working parties) or external parties. The aims of these delegations are:

- To meet Statutory or best practice requirements
- To give focus and attention to key issues facing the Trust
- To provide an enhanced degree of scrutiny.

Further details of formally agreed delegations can be found as part of the Standing Orders, Scheme of Delegation and Standing Financial Instructions held separately.

### **The Role of the Chief Executive**

The Chief Executive is responsible for ensuring that the Board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and properly controlled executive action. The main roles and responsibilities of the Chief Executive are Leadership, Delivery, Performance Management, Accountability and Governance.

As Accountable Officer, the Chief Executive is required to sign, on behalf of the Trust Board, an annual Statement of Internal Control as set out in the Accountable Officer Memorandum, which incorporates governance, financial management and risk management. It is the duty of the Chief Executive and through appropriate delegation to the Executive Directors, to ensure that the Trust meets all its statutory obligations and targets set by the Department of Health.

The main roles and responsibilities of the Chief Executive are:

1. **Leadership:** helping the Board create the aims and values for the Trust to improve services, and communicating this vision to others with the ability to empower them to deliver the organisation's objectives
2. **Delivery:** ensuring that the Board has sufficient information to agree Service Level Agreements (local contracts with commissioners) that meet the Trust Operational and Business Plan and to meet other priorities that are based on realistic estimates of workforce, financial capacity and patient and public involvement
3. **Performance Management:** ensuring that the Board's plans and objectives are implemented and that progress towards implementation is regularly reported to the Board using accurate systems of measurement and data management, including agreeing the objectives of members of the Executive team and reviewing their performance
4. **Governance:** ensuring that the systems on which the Board relies to govern the organisation are effective, enabling him to sign up to the Assurance Framework on behalf of the Board to state the systems of governance, including financial governance and risk management, are properly controlled

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5. **Accountability:** to act as the accountable officer for the Trust
6. **Partnership:** developing an effective working relationship with relevant local health organisations, local authorities, and voluntary organisations
7. **Management:** as Chief Executive Officer to act as line manager for the executive team and to ensure that clear lines of responsibility and accountability are in place to control and deliver the Trust's resources and services.
8. **Relationships:** to ensure that there are effective working relationships with the Chairman and the Board

### **The Role of Executive Directors**

The Executive Directors are full-time employees of the Trust. It is a requirement that the Board has a Chief Executive, Director of Finance, Director of Nursing, Medical Director and one other that are eligible to vote. Other executive directors can be appointed as required but are ineligible to vote.

The Executive Directors are full-time employees of the Trust. The Executive Team key responsibilities are to deliver organisational performance, implement a strategy supported by the Board, and communicate internally and with the wider health community

- Abiding by agreed Codes of Behaviour
- Attending Trust Board meetings and committee meetings to which they are appointed
- Ensuring that the organisation meets statutory compliances and regulations
- Understanding the business of the organisation, and having sufficient knowledge of the market within which the organisation operates in order to carry out their functions as director

The Executive Team has three key responsibilities:

1. To deliver agreed levels of organisational performance, defined by commissioners, the Strategic Health Authority (SHA) and Department of Health. In addition, it will need to meet Monitor's compliance framework and the Care Quality Commissions (CQC) registration requirements.
2. Implementing the Board's strategy against an agreed plan, taking account of the development of:
  - people, their skills and competencies
  - services, their organisation, delivery, efficiency
  - organisational capacity
  - policies and practice
  - the influences on the Trust from outside the organisation
3. Ensuring coherence in the Trust's approach to these inter-related issues and for the communication of information both throughout the Trust and with the local health and social care economy

Additionally an NHS Director's responsibility includes:

1. Promoting the best interests of the organisation at all times
2. Ensuring the highest standards of probity and conduct
3. Promoting effective and efficient decision making



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4. Taking decisions in the best interests of the Trust
5. Participating in the development of strategy, leadership and assurance mechanisms for the Trust
6. Ensuring the Board has systems and processes in place to monitor the correct stewardship of resources
7. Abiding by agreed Codes of Behaviour
8. Attending Trust Board meetings and committee meetings to which they are appointed
9. Ensuring that the organisation meets statutory compliances and regulations
10. Understanding the business of the organisation, and having sufficient knowledge of the market within which the organisation operates in order to carry out their functions as director

### **The Role of the Trust Secretary**

The Trust Secretary is responsible for ensuring that the Trust complies with all legal, constitutional and regulatory requirements and that effective governance procedures are in place. They also play an important role in the Trust's move to Foundation Status, and provide advice and support to the Trust Board and its various sub-committees. They provide an interface between the Board and the Executive and ensure that there is appropriate support to the Non Executive Directors.

### **The Role of Non-Executive Directors (NEDs)**

Non Executive Directors are expected to bring to the Board senior level experience of a range of issues, such as finance, legal, governance, strategic planning, commercial management, the voluntary and community sectors, IT and recruitment. Their role requires them to challenge constructively, influence and persuade and provide independent overview and scrutiny of the work of the Trust's Executive functions.

### **Code of Conduct for Directors and Trust Secretary**

West Hertfordshire Hospitals NHS Trust is established under Statute as a corporate body and thereby has separate legal status. All Board members, on appointment, are required to subscribe to a Code of Conduct that describes the highest standards of corporate and personal behaviour and recognises that patient safety and wellbeing are at the centre of all decisions. The Trust is a publicly funded body and is therefore accountable to Parliament for the services it provides and for the effective use of taxpayers' money.

The following public service values underpin the work of the Trust:

- **Accountability:** Everything done in the name of the Trust must stand the test of local and parliamentary scrutiny, as well as reasonable public judgements on propriety and professional standards of conduct;
- **Probity:** absolute honesty and sound judgement in dealing with the assets of the Trust;
- **Openness:** transparency and honesty in decision-making processes in order to promote the confidence of patients, staff and the general public.

Those who work in the Trust have a duty to make properly informed decisions, to act impartially in dealings with contractors, to achieve value for money and to demonstrate the highest ethical standards of personal and professional conduct.

## **The Public/Decision Making Interface**

The Trust board has a statutory requirement to meet and take decisions in public. From April 2006 all Trust Board meetings have been held monthly, in public. In 2008/09 the Trust decided to move to bi-monthly public meetings, with the intervening month designed as a Board development/FT Development session. The Public meetings, which enable the public to see how the Board conducts its business, are key elements of the governance framework involving planning, performance management, decision-making and Controls Assurance activities.

The format for public Board Meetings gives emphasis to Quality, Strategic and Operational issues and covers areas such Strategic Developments, Patient Safety, Performance, Quality, Risk, Public Involvement, Finance, and Governance.

Papers are circulated 5 days prior to the meeting. No papers can be tabled without the prior consent of the Chairman. All papers are published on the Trust's web site and are therefore available as public documents for all who wish to see them. Whilst questions are taken from members of the public at Board meetings on issues relevant to the agenda, it is important to stress that these are meetings held in public, not public meetings. Questions arising from any of the papers presented at the Board or on any other issue can always be raised directly with the author of the report or further information requested under the terms of the Freedom of Information Act.

There are occasions when it is necessary to discuss items of a confidential nature. Should this be necessary the Board will meet in closed, private session at which members of the public and press will be excluded. Discussions in the private or part 2 sessions, relate to matters that are either corporately or commercially sensitive or concern individuals' contractual or other relationships with the Trust and shall therefore remain absolutely confidential between members of the Trust Board.

There are occasions throughout the year when it is important for the Board to come together to discuss matters of strategic importance and to contribute to the formation of strategy and policy direction. These meetings will not be formal Board Meetings as no decisions will be taken that need to be subject to scrutiny and formal endorsement through the public Board meetings process described above. These meetings provide a focus for:

- Updating Board members on Trust issues;
- Providing presentations on local/national issues
- Discussing strategic development

Sub committees of the Board meet at regular intervals as agreed with each committee chairman. These meetings are not held in public although papers and minutes of all meetings are matters of public record and can normally be provided under the terms of the Freedom of Information Act - except where they are marked confidential, contain patient or staff identifiable information or are commercially sensitive.

## **SECTION 4 – THE EXECUTIVE**

This section of the document describes the role of the Executive and the individual Executive Directors, and how the Trust organises its business.

The Executive Team is responsible for the day-to-day management of the Trust and for delivering actions agreed by the Board in accordance with the Trust's policies and national, statutory or other relevant guidance. They take responsibility for framing the strategic direction of the Trust in order that the Board can test, scrutinise and then approve it. The Executive takes responsibilities delegated to it by the Trust Board and is the senior executive decision-making body in the Trust. A key role of the Executive is to ensure good communication within and outside of the Trust, establishing and maintaining positive links with all stakeholders.

Executive Directors have responsibility for overall corporate management of the Trust. They ensure the day to day running of the Trust is within the framework set by the Board. At West Hertfordshire Hospitals NHS Trust the specific management tasks for each executive officer is as follows:

The executive functions have been streamlined and refocused. The core executive team comprises:

- Chief Executive
- Director of Patient Safety (and Medical Director)
- Director of Delivery
- Director of Finance
- Director for Partnerships

### **Chief Executive**

- Accountable Officer
- Leadership of the Trust
- Delivery of all aspects of national policy within the local context
- Relationships and policy issues
- Ensuring the performance of the Executive and delivery of key performance standards
- Ensuring that the Board puts in place good and appropriate systems of governance
- Creating effective partnerships and strategic working arrangements

### **Executive Director roles**

The creation of the role of the **Medical Director & Director of Patient Safety** underlines and reinforces the importance of patient safety. The Director also takes the role of Director of Infection Prevention and Control (DIPC). The Medical Director also acts as the Caldicott Guardian for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing. The Guardian plays a key role in ensuring that the Trust satisfies the highest practicable standards for handling patient identifiable information

### **Medical Director**

- Professional Medical Advice to Board
- Caldicott Guardian
- Professional Med. Leadership through Associate Medical Directors and Divisional Directors
- Responsible officer
- re-validation
- Research & Development

## *Scheme of Governance*

- Consultants Appraisal & Development
- Professional Standards
- Clinical Governance Lead
- Clinical Effectiveness & Audit
- Infection Control

The Responsible Officer role came into effect on 1 January 2011. The provisions of the Medical Profession (Responsible Officers) Regulations 2010 came into force on 1 January 2011. Trusts and other bodies designated under the Medical Act 1983 (as amended by the Health and Social Care Act 2008) are required to nominate or appoint responsible officers (ROs) and also to resource them adequately for the fulfilment of their role.

The **Director of Strategy and Infrastructure** leads on Estates and Facilities, the regeneration project for west Hertfordshire (Health Campus) and on relevant site reconfigurations, such as the outline business case for a new hospital at Watford and the reconfiguration at Hemel Hospital.

The **Director of Nursing & Patient Champion** is a key member of the Patient Safety team and reports to the CEO and the Board for statutory professional nursing responsibilities.

The role of **Director of Delivery** is a direct development of the role of Director of Operations, but focused centrally on performance, delivery and achievement, rather than maintenance, response and reaction. The Chief Executive, supported by the Director of Delivery, drives the performance management process in relation to the five divisions. The Divisions have greater autonomy in terms of decision-making powers but this is set against clear accountability for the delivery of key targets.

The role of the **Director for Partnerships** is focused on negotiating and working with existing and new NHS partners, principally PCTs and PBCs. **This role is also responsible for information management and IT and acts as the Senior Information Risk Owner (SIRO) for the Trust.**

The **Director of Finance** and **Director of Workforce** support the chief executive and other directors to delivery a healthy and sustainable financial climate in the Trust and workforce that is fit for purpose.

A corporate office led by the **Director of Communication and Corporate Affairs** manages communications for the Trust and ensures all necessary corporate governance arrangements are in place for the Board and sub committees. The Director of Communication and Corporate Affairs will also act as the Company Secretary and lead the FT application.

In order for the Executive team to fulfil its role it is occasionally supported by a small number of short life task groups. They address urgent, key, usually cross-organisational issues based on substantial authority, clear delivery targets and work with line management. The CEO typically joins these task forces. The section below describes the relationship between the Executive and the Trust Board and its sub committees in more detail.

### **How the Trust organises its business and the relationship of the Executive, the Board and sub committees**

The overriding principles of governance are accountability and transparency of decision-making. The organisational governance arrangements are designed to facilitate these and to ensure that the trust undertakes its duties effectively, within the capacity and capabilities of the organisation whilst promoting and demonstrating professional behaviours.

## *Scheme of Governance*

As has been described above, the Trust Board is the ultimate decision making body within the Trust. However, before Board decisions are taken, structures and processes exist within the organisation to ensure that the need for any such decision by the Board is well established and firm proposals have been developed and discussed widely in order to gain commitment across the Trust before the Board discusses and takes any decision. The Trust Board delegates the responsibility to the Executive Team to ensure that such processes are in place and are effective. The Executive Team in turn delegates to the Divisions the responsibilities for ensuring the effective management of operational services on a day-to-day basis.

The trust's operational services, under the Director of Delivery, are divided into five directorates:

- ❑ Medicine
- ❑ Surgery/Anaesthetics
- ❑ Women's & Children's
- ❑ Clinical Support
- ❑ Estates/Facilities

A Divisional Director, a senior clinician, leads each clinical division, supported by a Divisional Manager, Head of Nursing and Clinical Directors and service managers aligned to clinical specialties.

Divisional directors are responsible and accountable for their division's service delivery, financial control and achievement of performance targets.

There will be occasions when the management, because of time or other immediately pressing issues, will take a decision that might not have come through due, auditable, process. In which case, the decision would normally be taken "in principle" with specific work being undertaken by the Executive following such a decision in order that it can be ratified by the Board formally at a later date.

The role of the sub committees is to provide scrutiny of the work of the Trust. Management groups of the Trust will either report directly to or have a regular working relationship with the sub committees and will seek agreement from them if there is anything to be put formally to the Board for decision/approval.

The Executive provides the day-to-day continuity to the Trust. The Delivery Support Group (DSG) meets on a bi-weekly basis, to consider any cross-organisational issues that affect the delivery of services to patients, the ongoing stewardship of resources and how staff are supported on a daily basis. The DSG is not a forum for directors to absolve their own responsibilities, but to share issues that have a wider impact on service delivery. The DSG therefore provides an opportunity to explore the practical and logistical issues affecting a particular process or policy.

In support of the Executive, sub committee and Board structures there are a number of management working groups/committees. Sets out below are the formal Executive Committees of the Trust.

The majority of business of the Trust is therefore discussed, formed, developed, refined and implemented through these established governance arrangements.

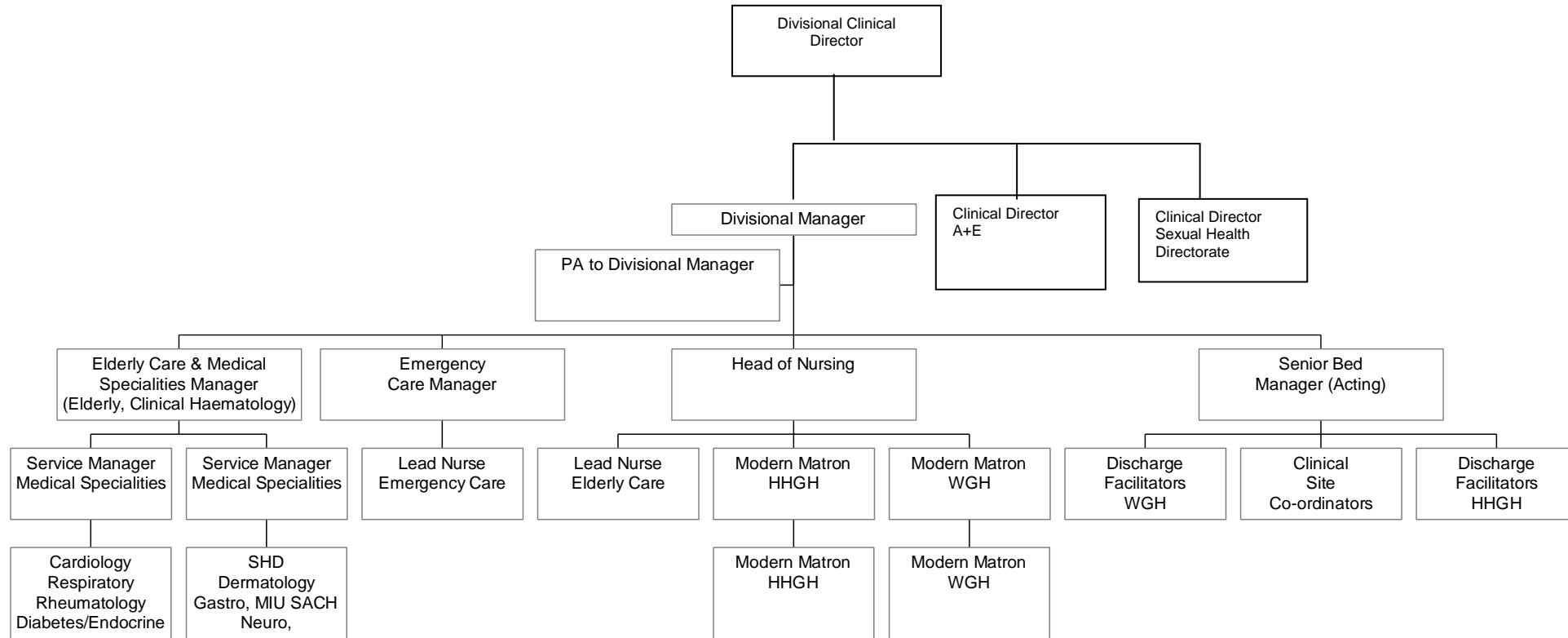
The Clinical Divisions have a tripartite management arrangement structure comprising Divisional Director, Divisional Manager and Head of Nursing. Additionally, the clinical

### *Scheme of Governance*

operational divisions have their own structures in place that ensure proper governance takes place.

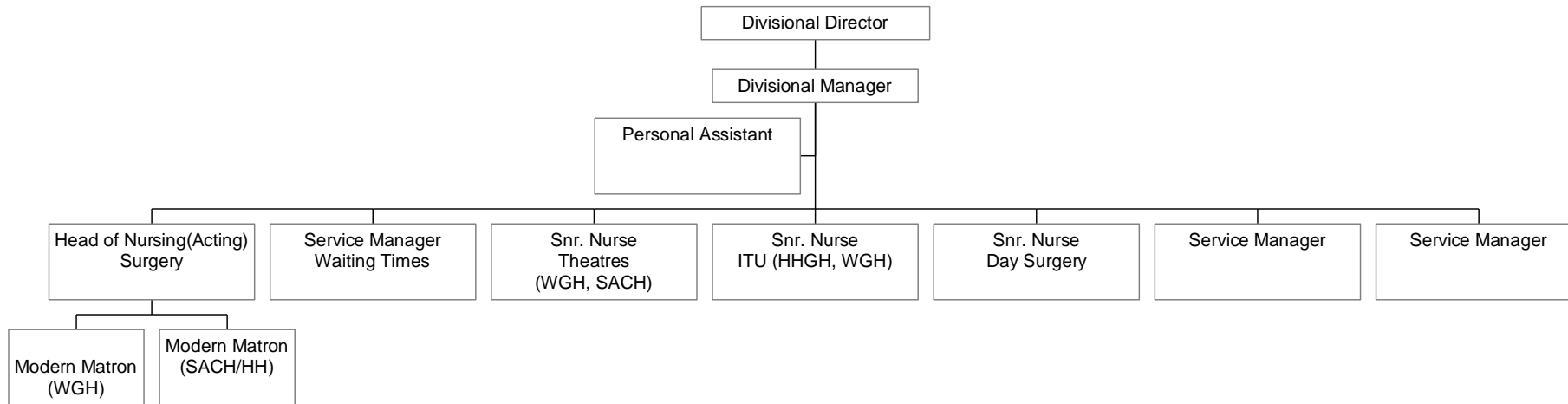
## Scheme of Governance

### Acute Medical Care



## *Scheme of Governance*

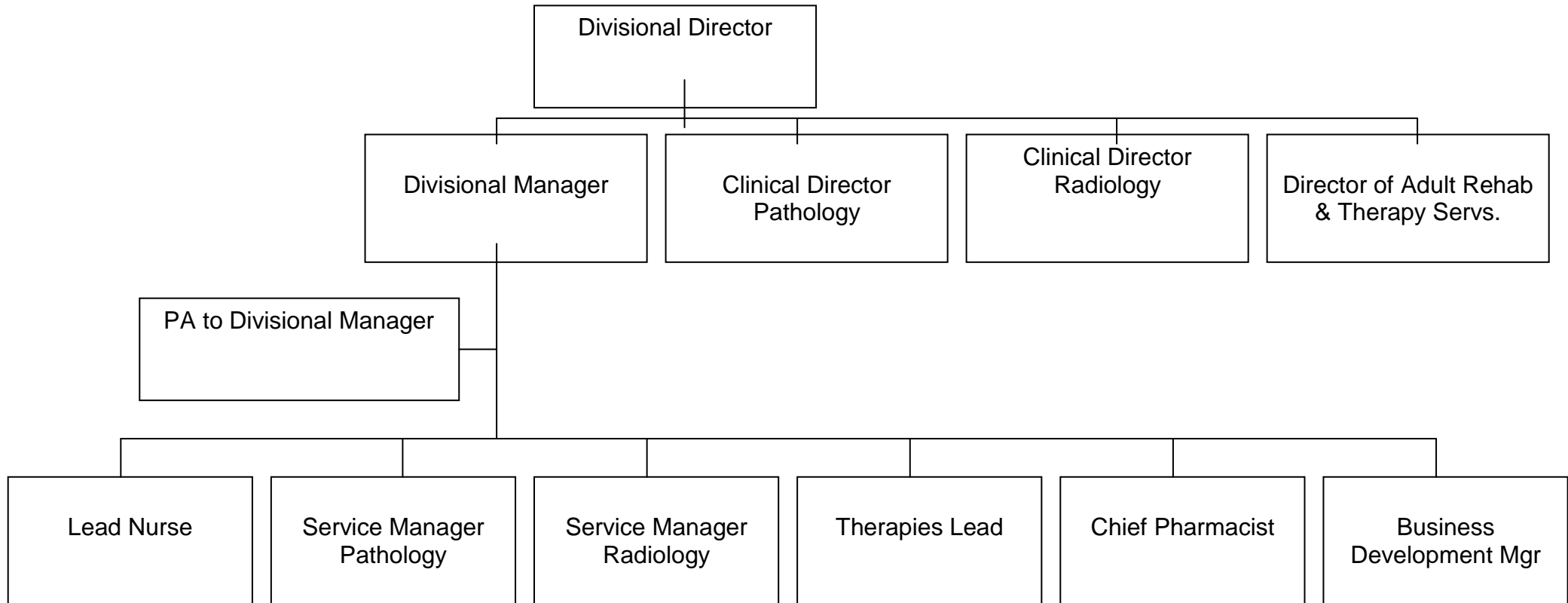
### **Surgery and Anaesthesia**





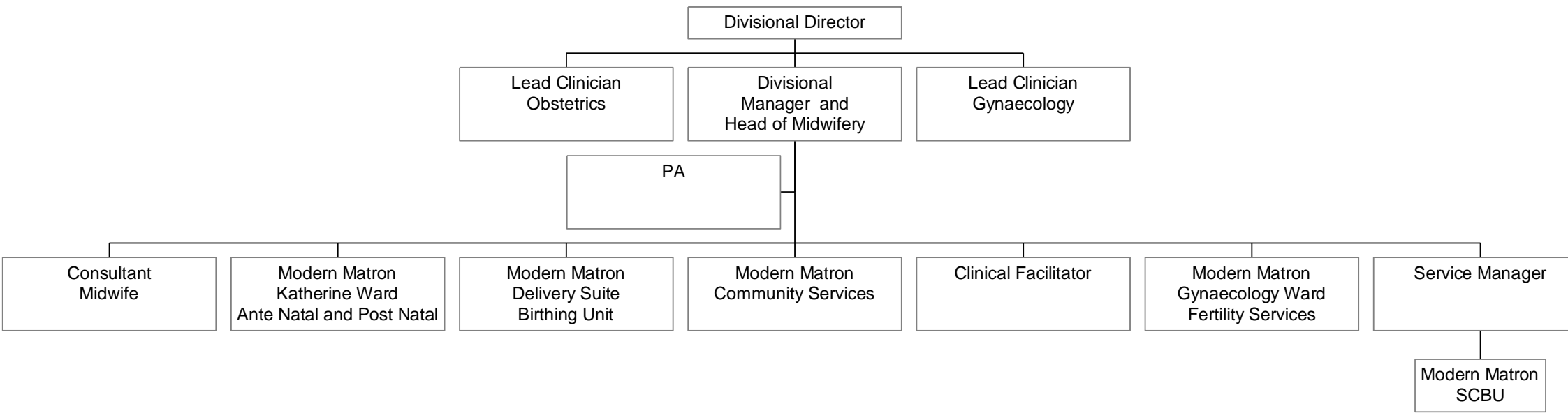
## Scheme of Governance

### Clinical Support Services



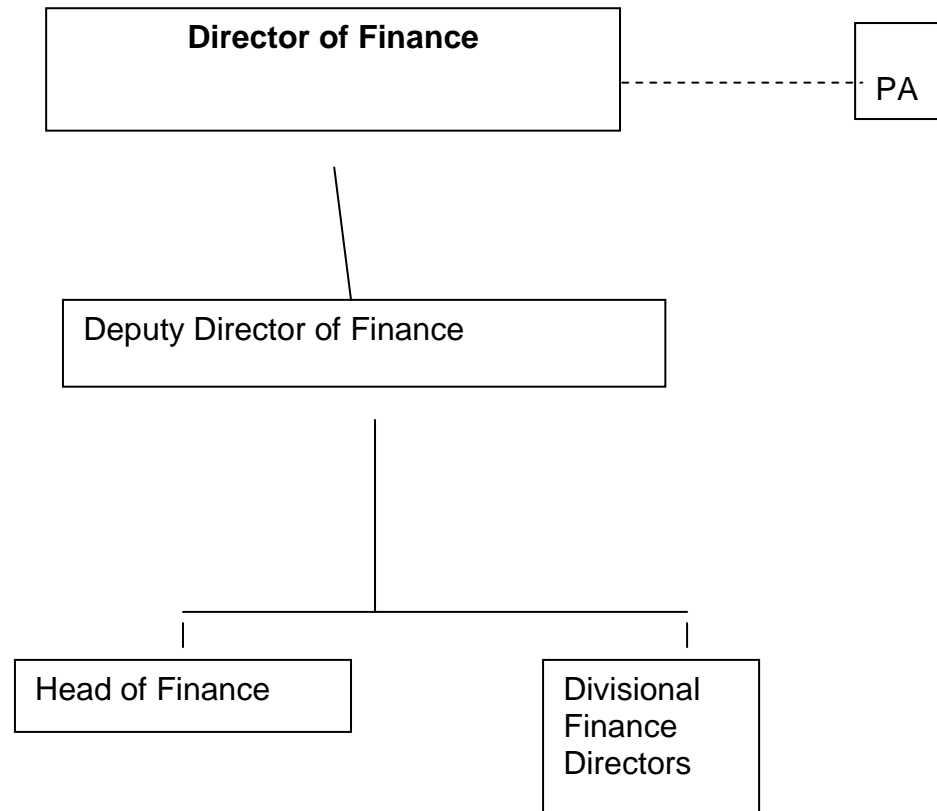
*Scheme of Governance*

Women and Neonatal Services

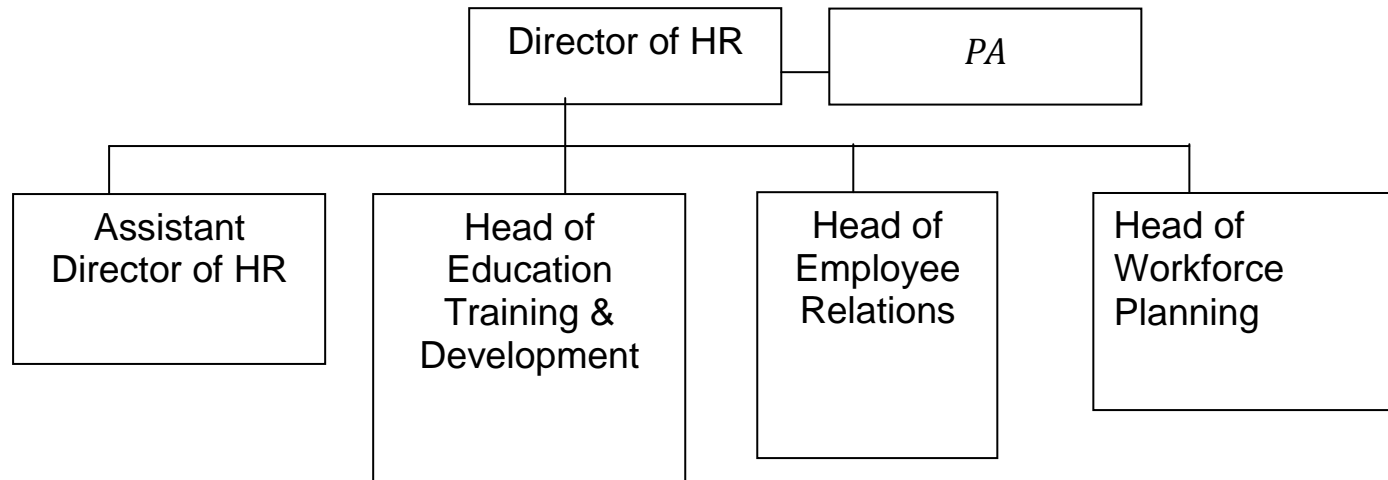


*Scheme of Governance*

**FINANCE DEPARTMENT**

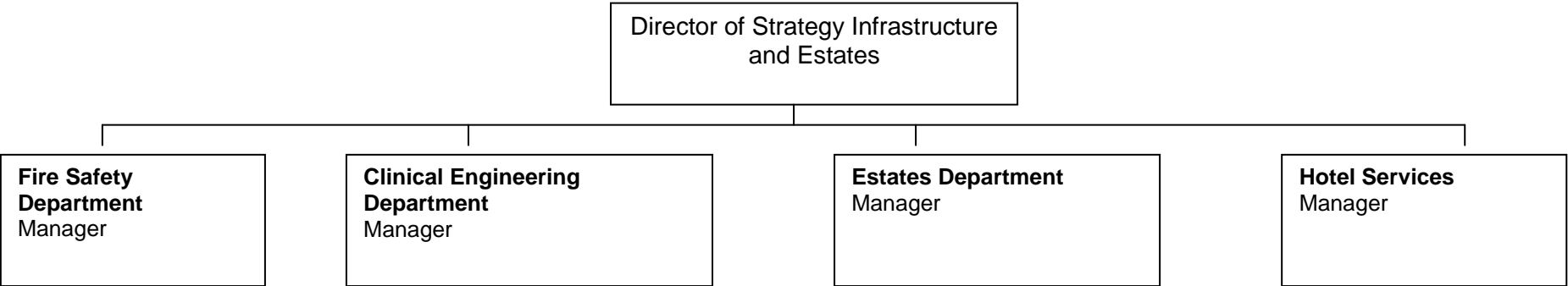


**HR DIRECTORATE STRUCTURE**



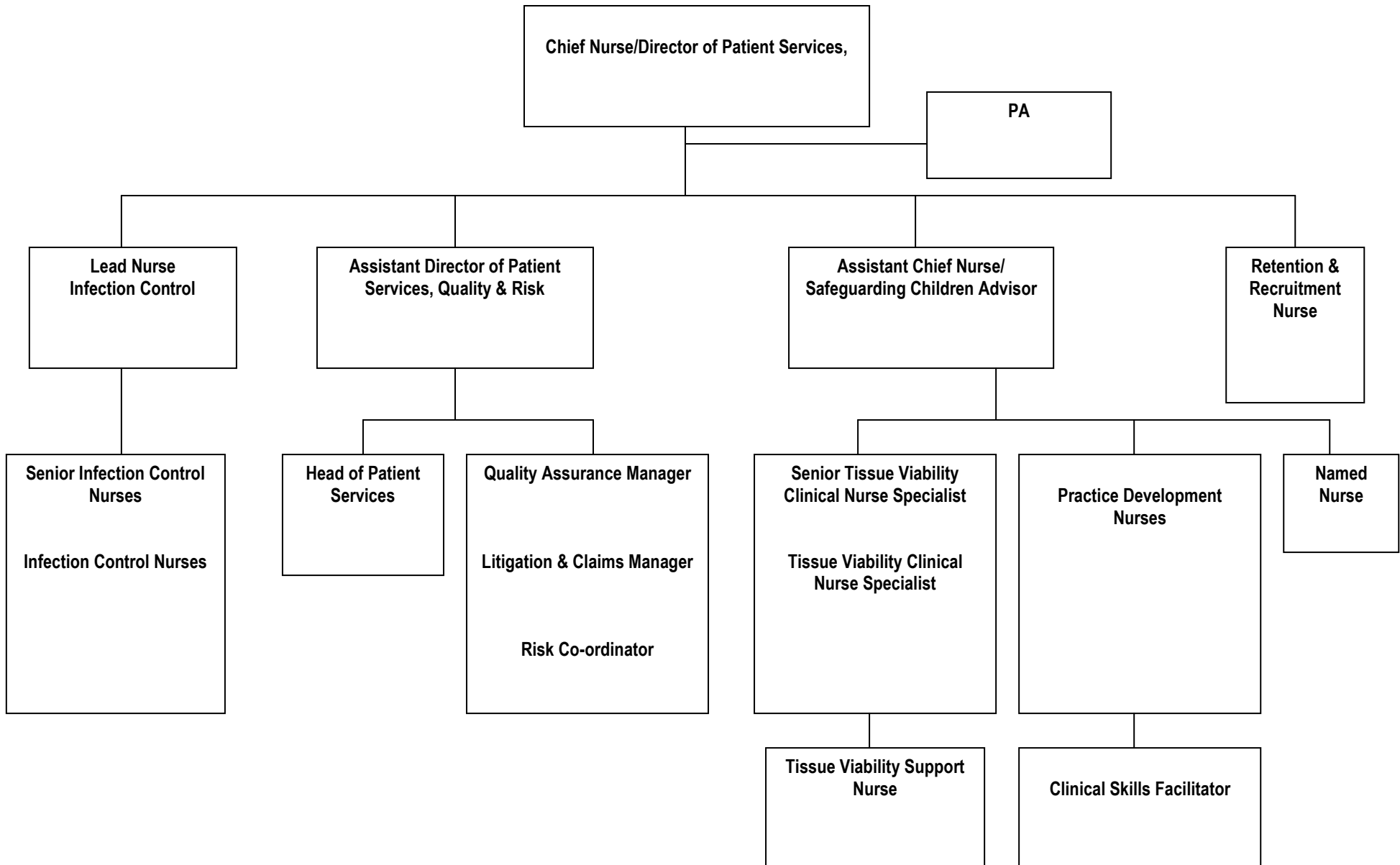
*Scheme of Governance*

**Estates and Facilities**



*Scheme of Governance*

**CORPORATE NURSING, PATIENT SERVICES, QUALITY & RISK DIVISION**



## *Scheme of Governance*

The Divisional Management Teams discharge their responsibilities by:

- Setting the objectives for the Division, in the context of the Trust's objectives, to ensure there is clarity at all levels as to what is expected of individuals, departments and functions;
- Taking an overview of performance, to ensure that it meets the required standards and takes remedial action where this is not the case, until performance is retrieved
- Ensuring that, where required, Trust-wide objectives are pursued and delivered within the Division
- Providing the focus for strategy and development across the Division as a whole, looking more widely across the organisation and ensuring compatibility with the Trust-wide agendas.

Divisional Directors are accountable for the performance and effective management of the Division, in conjunction with their management team.

### **Performance Management**

The performance management arrangements within the Trust will work at all levels.

The Board will discharge its responsibilities for performance management through its meetings and through the structure of sub-committees in place. The Executive will hold quarterly performance management meetings with the Divisions and corporate services to hold them to account against their business plan objectives.

The Divisions will review performance of sub-Divisional structures on a quarterly basis and will hold corporate departments to account for the delivery of agreed service levels.

### **Delegation and Decision Making**

As has already been stated the Trust Board delegates responsibility for the day-to-day management of the Trust to the Executive, whilst the Executive in turn delegates the operational management of the services to Divisions.

Table 1 below gives an overview of where, within the organisation, decisions are taken.

**Table 1**

<b>Function</b>	<b>Decision Point</b>
Day to day operational management	Divisional Management Teams
Changes to services not requiring consultation	Executive Meeting
Strategic changes requiring public consultation	Trust Board
Capital investment of less than £5,000	Divisional Management Teams
Capital Investment in excess of £5,000.. but less than £50,000	Capital Planning Group, with a briefing to Audit Committee
Capital investment in excess of £50,000	Trust Board following recommendation from Audit Committee
Changes to legally binding contracts	Trust Board following recommendation from the relevant sub committee
Changes to non legally binding contracts not requiring formal authorisation of the Trust Board, e.g. Service Level Agreements	Executive Meeting

### *Scheme of Governance*

Sign off of non legally binding agreements, e.g. Service Level Agreements	Executive Meeting through delegated authority of appropriate sub committee and/or with Trust Board approval
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Decisions going to the Board, Executive or Division should always contain the following information, where relevant:

- What is the impact of the decision required on patients?
- What it is the impact on patients of not taking the decision?
- What is the financial impact on the Trust?
- Does the decision have any impact on other parts of the Trust or other related services/organisations?
- Are there any staff development needs arising from the proposal?
- What risks are associated with the decision or of not acting?



## **APPENDIX A**

### **TERMS OF REFERENCE**

## **AUDIT COMMITTEE**

<b>Status:</b>	Sub-committee of the Trust Board
<b>Chair:</b>	Non-Executive Director
<b>Membership:</b>	Three Non-Executive Directors
<b>Clerk:</b>	Trust Board Secretary
<b>Frequency of Meetings:</b>	5 times a year The External Auditor or Head of Internal Audit may request a meeting if they consider this to be necessary
<b>Quorum:</b>	Two

#### **1. Context**

- 1.1 The terms of reference of the Trust's Audit Committee reflect the requirements of the Trust's Constitution, the NHS FT Code of Governance and the Audit Committee Handbook 2005.

#### **2. Remit**

2.1 The Committee has delegated authority from the Board of Directors and the Board of Governors to investigate any activity within its terms of reference. In undertaking such activities, the Committee will help discharge the responsibility of the Trust's Accounting Officer, who under the terms of the National Health Service Act 2006 is held responsible to Parliament, by the Public Accounts Committee, for the overall stewardship of the organisation and the use of its resources

#### **3. Membership**

- 3.1 The membership of the Committee will consist of three non-executive directors. The Chairman of the organisation shall not be a member of the Committee.

#### **3.2. Chairman of the Audit Committee**

The chairman of the Committee will be appointed by the Board of Directors, and will be a non-executive director (NED). In the absence of the Chairman, another member will be delegated the responsibility of Deputy Chairman.

## *Scheme of Governance*

### **3.3 Secretary of the Audit Committee**

The secretary of the Committee will be the Board Secretary, supported by a senior member of the Finance Department

### **4. Attendance at meetings of the Audit Committee**

4.1 The following individuals will regularly attend the meetings of the Committee:

- Director of Finance
- Deputy Director of Finance
- Financial Controller
- Head of Internal Audit
- Local Counter Fraud Specialist
- External Auditor
- Director of Patient Safety/Medical Director
- Assistant Director of Clinical Governance and Risk
- Board Secretary

4.2 The Chief Executive will be invited to attend to discuss the process for assurance that supports the Statement on Internal Control. The Chief Executive and other executive directors/senior managers will be invited to attend any meetings of the Committee when issues relevant to their area of responsibility are to be discussed.

### **5. Accountability and Reporting Arrangements**

5.1 The Committee will be directly accountable to the Board.

5.2 The chairman of the Committee will report on the proceedings of each meeting to the next meeting of the Board.

5.3 Although no committee / group reports into the Audit Committee, the Audit Committee has the jurisdiction to request formally recorded minutes of any committee and group within the Trust that may provide assurance to the Audit Committee of a safe system of internal control. The Committee is authorised to seek information and advice either within the Trust or externally on any matters within its terms of reference.

### **6. Responsibilities**

#### **6.1 Governance, Risk Management and Internal Control**

The Committee will review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities that supports the achievement of the organisation's objectives.

The Committee will review the adequacy of:

- All risk and control related disclosure statements (in particular the Statement on Internal Control), together with any accompanying Head of Internal Audit statement, external Audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- The processes leading to the declarations of compliance with Care Quality Commission registration requirements for quality and safety
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.

### *Scheme of Governance*

- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

In particular, the committee will

- Ensure the Trust has adequate plans, processes and systems for minimising risk.
- Take a strategic overview of the Assurance Framework and approve reports provided to the Board.
- Provide assurance of effectiveness of the wider risk management programme within the Trust.
- Review and monitor Internal and External Audit workplans.
- Receive a Risk Management Annual Report.

In carrying out this work, the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these Audit functions. It will also seek reports and assurances from executive directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the Audit and assurance functions that report to it.

## **6.2 Internal Audit**

The Committee will ensure that there is an effective internal Audit function established by management that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:

- Consideration of the provision and appointment of the Internal Audit service, the cost of the Audit and any questions of resignation and dismissal.
- Review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the Audit needs of the organisation as identified in the Assurance Framework.
- Consideration of the major findings of internal Audit work (and management's response and follow-up and implementation of all recommendations),
- Ensuring co-ordination between the Internal and External Auditors to optimise Audit resources.
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation.
- Annual review of the effectiveness of internal Audit.

## **6.3 External Audit**

The Committee will review the work and findings of the External Auditor and will consider the implications and management responses to their work. This will be achieved by:

- Consideration of the performance of the External Auditor.
- Discussion and agreement with the External Auditor, before the Audit commences, of the nature and scope of the Audit as set out in the Annual Plan, and ensure co-ordination, as appropriate, with other External Auditors in the local health economy.
- Discussion with the External Auditors of their local evaluation of Audit risks and assessment of the Trust and associated impact on the Audit fee.
- Review all External Audit reports, including agreement of the annual Audit letter and any work carried outside the annual Audit plan, together with the appropriateness of management responses.

## *Scheme of Governance*

### **6.4 Other Assurance Functions**

The Audit Committee will review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation.

In addition, the Committee will review the minutes/action plans, as necessary, of any other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work.

### **6.5 Management**

The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control. They may also request specific reports from individual functions within the organisation (e.g. clinical Audit) as may be appropriate to the overall arrangements.

### **6.6 Financial Reporting**

The Audit Committee will review the Annual Report and Financial Statements before submission to the Board, focusing particularly on:

- The wording in the Statement on Internal Control and other disclosures relevant to the Terms of Reference of the Committee.
- Changes in, and compliance with, accounting policies and practices.
- Unadjusted statements in the financial statements.
- Major judgemental areas.
- Significant adjustments resulting from the Audit.

The Committee will review:

- the entries recorded in the Register of Interests
- the entries recorded in the Hospitality Register
- the entries recorded in The Trust Seal Register
- the entries recorded in the Tender/Quotation Waiver Register

The Committee will also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

## **7. Notice of Meetings**

7.1 Meetings of the Committee will be called at the request of the chairman.

7.2 Details of each meeting, including agenda and supporting papers will be forwarded to each member of the Committee before the date of the meeting.

## **8. Minutes of Meetings**

8.1 Minutes of the meetings will be circulated promptly to all members of the Committee and those in attendance as soon as reasonably practical.

## **9. Monitoring of Effectiveness**

9.1 The Committee will review its own performance and terms of reference at least once a year to ensure it is operating at maximum effectiveness. Any proposed changes will be submitted to the Board for approval.

## *Scheme of Governance*

- 9.2 These terms of reference will be approved by the Board and formally reviewed at intervals not exceeding two years.

## **TERMS OF REFERENCE**

### **REMUNERATION COMMITTEE**

<b>Status:</b>	Sub-Committee of the Trust Board
<b>Chair:</b>	Non Executive Director
<b>Membership:</b>	3 Non Executive Directors (one of whom will act as Deputy Chair, one of whom is the Trust Board Chair and one of whom is the Chair of the Audit Committee)
<b>Secretary:</b>	Director of Workforce
<b>Frequency of Meetings:</b>	Quarterly
<b>Quorum:</b>	Three
<b>In attendance:</b>	Chief Executive Director of Workforce

The Chief Executive or Director of Workforce will not be present during discussions about their own remuneration and conditions of employment.

The Director of Workforce will attend to will provide appropriate advice to the committee, as required.

External HR advice will be sought on complex or sensitive matters.

The subcommittee will:

- Advise the Trust Board on the appropriate levels of remuneration and terms of employment for the Chief Executive and other Very Senior Managers and Executive Directors of the Trust, including the Medical Director. This will include the setting of appropriate corporate and individual bonuses.
- The Committee will also advise the Board on any termination settlements for the CEO or Directors or other very senior managers following all appropriate processes as set out in relevant guidance from the DH, SHA and other government departments.
- To approve on behalf of the Trust Board the recommendations of the Clinical Excellence Awards Committees in relation to:
  - Consultants
  - Associate Specialists
  - Staff Grades

### **Minutes**

Abridged version of the minutes will be circulated in Part 2 of the Trust Board papers.

### **Monitoring Arrangements**

The Committee will regularly monitor the effectiveness of the minimum requirements contained within these Terms of Reference in relation to membership and regular attendance and reporting

### *Scheme of Governance*

arrangements. Where monitoring has identified deficiencies, recommendations and action plans must be developed and changes implemented accordingly.

### **Review of Terms of Reference**

The TOR will be reviewed in the event of the Trust becoming a Foundation Trust

May 2010

**TERMS OF REFERENCE**

**TRUST CHARITABLE AFFAIRS COMMITTEE**

**Status:** Committee of the Trust Board

**Chair:** Non Executive Director

**Membership:** 3Non Executive Directors

**Clerk:** Trust Secretary

**Frequency of Meetings:** 3 times a year

**Quorum:** Two

1. To ensure Funds Held on Trust/Charitable Funds are managed in accordance with the Trust's Standing Financial Instruction No 29, as approved by the Trust Board.
2. To receive regular reports from the Finance Directorate covering:
  - Number and value of funds
  - Purpose of funds
  - Income and Expenditure Analysis
3. To receive detailed quarterly Investment Performance Report from Investment Managers.
4. To decide on investment policy.
5. To appoint Investment Managers as appropriate
6. To decide upon expenditure criteria.
7. To ensure that the requirements of the Charities Acts and the Charities Commission are met.
8. To provide reports for the Trust Board as appropriate.
9. To review the Annual Accounts prior to submission to the Trustees for formal approval.



## **TERMS OF REFERENCE**

### **FINANCE COMMITTEE**

<b>Status:</b>	Committee of the Trust Board
<b>Chair:</b>	Non Executive Director
<b>Membership:</b>	3 Non Executive Directors
<b>Clerk:</b>	Trust Secretary
<b>Frequency of Meetings:</b>	3 times a year
<b>Quorum:</b>	Three

#### **1. Constitution**

The Finance Committee is a standing committee of the Trust Board. Its constitution and terms of reference are as set out below. Any amendment is subject to approval by the Trust Board.

#### **2. Purpose**

The Finance Committee shall make recommendations to the Trust Board about those matters detailed below in Section 8, and the effectiveness of related delivery.

#### **3. Membership**

A Non Executive Director, who may be the Chairman of the Trust, will chair the Committee. Membership will comprise of one further Non Executive Director, the Chief Executive, the Director of Finance and the Director of Delivery. A quorum will be 3 members, at least one of whom is a Non Executive Director.

#### **4. Attendance**

The Director of Finance will be the Executive Director lead. All other Directors are entitled to attend and to receive papers of the Finance Committee.

The Director of Corporate Affairs will arrange for secretariat services to be provided to each Committee meeting.

#### **5. Frequency of meetings**

The Finance Committee will meet three times a year, with additional meetings as deemed necessary.

#### **6. Reporting**

The Minutes of each meeting will be recorded formally and submitted to the Trust Board.

## **7. Review**

The Terms of Reference will be reviewed no less than annually by the Trust Board.

## **8. Duties**

To:

- consider the Trust's Medium Term Financial Plan.
- consider the Trust's Long Term Financial Model.
- review the strategic parameters for the annual budget.
- maintain an oversight of, and receive assurances from the Director of Finance and the Director for Partnerships on, the robustness of the Trust's key income sources and contractual safeguards.
- commission and receive the results of reviews of key strategic financial issues affecting the Trust.
- maintain a review of the Trust's investment strategy and policy.
- maintain an oversight of the Trust's investments, ensuring compliance with the Trust's policy and the requirements of Monitor.
- monitor the effectiveness of the Trust's financial performance reporting and, where appropriate, make recommendations to the Trust Board.
- examine any other matter referred to the Committee by the Trust Board
- reassure itself that all Trust Board members maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust.

## **TERMS OF REFERENCE**

### **Integrated Risk and Governance Committee**

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**Status:** Sub-committee of the Trust Board

**Chair:** Non-Executive Director of the Board

**Clerk:** Asst Director of Clinical Governance and Risk

**Frequency of meetings:** Bi-monthly

**Frequency of Attendance** All members are expected to attend at least 4 meetings during the year.

**Quorum:** One third of the members, of which one must be a Non-Executive Director

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#### **1. Context**

**1.1** The terms of reference of the Trust's Integrated Risk and Governance Committee reflect the requirements of the National Health Service Litigation Authority's standard 1.3 (2009/10). This requires the organisation to have a high level Committee with overarching responsibility for risk.

#### **2 Remit**

**2.1** The Committee has delegated authority from the Board of Directors to investigate any activity within its terms of reference. It is also 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 a non-executive committee of the Board and has no executive powers other than those specifically delegated in these Terms of Reference.

#### **3. Membership**

**3.1** Chair of the Audit Committee (Deputising in the absence of the Chair)  
Chief Executive\*

Director of Patient Safety/Medical Director\*

Director of Nursing and Patient Champion\*

Director of Workforce

Director of Partnerships\*

Director of Strategy and Infrastructure

Director of Communications & Corporate Affairs

Director of Finance\*

Ass't Director of Clinical Governance and Risk\*

Director of Delivery\*

**CQuaC Members:** (\* names above are also members)

Director of Medical Education

Divisional Director of Surgery & Anaesthetics

Divisional Director of Medicine

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Divisional Director of Clinical Support  
Divisional Director of Women's and Children's  
Clinical Director of Surgery  
Clinical Director of Anaesthetics  
Clinical Director Physician / Lead for Clinical Audit  
Clinical Director of Pathology  
Clinical Director of Obstetrics/Gynaecology/Paediatrics  
Deputy Director of Strategy & Infrastructure  
Associate Director of Hotel Services  
Head of Midwifery  
Chief Pharmacist  
Trust Lead for Cancer

### **3.2 Chairman**

The Chairman of the Committee will be appointed by the Board of Directors and will be a non-executive director (NED). In the absence of the Chairman, the Chair of the Audit Committee will be delegated the responsibility of Deputy Chairman.

### **3.3 Clerk of the Integrated Risk and Governance Committee**

The Clerk of the Committee will be the Ass't Director of Clinical Governance and Risk, supported by the Risk and Governance PA.

## **4. Accountability and Reporting Arrangements**

**4.1** The Committee will be directly accountable to the Board.

**4.2** The Chairman of the Committee will report on the proceedings of each meeting to the next meeting of the Board. The IRaGC will ensure that the Trust Board receives the Trust's Board Assurance Framework for scrutiny at each Board meeting. The Chairman of the Committee will draw to the attention of the Board any matters of concern in relation to the effective management of the organisation's risks.

**4.3** The minutes of the meeting will be sent to the Trust Board and the Audit Committee will receive an update briefing from the Chair of the Integrated Risk and Governance Committee.

**4.4** The IRaGC will present an Annual Report to the Board on progress in implementing the Trust's Risk Management Strategy

**4.5** The following Committees will report to the IRaGC:

- Business Integrated Standards Executive (Risks)
- Health and Safety Committee
- Information and Implementation Governance Group
- Carbon Reduction and Sustainability Committee
- Emergency Preparedness Group

## **4 Responsibilities**

### **4.1 Risk Management and Governance**

The Integrated Risk and Governance Committee (IRaGC) will promote Integrated risk management, consistent with the Board's appetite for risk, as intrinsic to all of the organisation's

### *Scheme of Governance*

activities and specifically promote local level responsibility and accountability for identifying and managing the organisation's risks.

The IRaGC will oversee the maintenance and further development of the Trust's Board Assurance Framework and supporting Risk Registers as key tools to support the achievement of a high level of internal control, patient safety and clinical quality and which informs risk-based Board decision-making. It will work closely with the Trust's Audit Committee to ensure the two Board Committees maintain no significant overlaps or gaps between the remit and overview.

The Committee will challenge risk assessment and risk management arrangements in areas of Trust activity where robust controls are not in evidence or where specific concerns (negative assurance, gaps in control, gaps in assurance) are raised.

The IRaGC will be supported through the work programme of the Business Integrated Standards Executive.

#### **4.2 Duties**

The duties of the Committee are to:

- Provide the Board with a shared and clear understanding of the key risks in the Trust, what mitigation is in place to minimise risks and which risks have been accepted and how they are being managed.
- Oversee the implementation and further development of the Trust's Risk Management Strategy which establishes the risk management processes and assurance requirements for the Trust;
- Review progress against the annual Risk Management Strategy Action Plan, ensuring it supports the achievement of the Trust's Strategic Objectives and the Integrated Business Plan;
- Ensure the processes of risk management produce a co-ordinated programme of risk management, through which risks are identified and mitigating actions ensure integration of clinical, financial and organisational risks that recognise the potential impact of individual risk across the organisation's activities;
- Assess and review the composition and ongoing development of the format of the Board Assurance Framework, ensuring it provides a robust tool through which the Audit Committee can monitor management of the organisation's key strategic risks, ensuring that effective control and assurance mechanisms are in place and that effective actions are being taken to address gaps in control and assurance;
- Assess and review the Trust's Board Assurance Framework and consider any risks escalated via the Business Integrated Standards Committee. The IRaGC will ensure ongoing actions are in place to effectively manage, mitigate and reduce high-level risks to achieving the Trust's objectives.
- Specifically, where the Committee is not satisfied that mitigating action is effective, to consider escalating such risks to the Board, via the Board Assurance Framework;

### *Scheme of Governance*

- Promote the development of a consistent approach to risk scoring to ensure scores accurately reflect the risk to the Trust.
- As reported via the Trust's Business Integrated Standards Executive (BISE), review progress reports on the implementation of action plans resulting from risk assessments of the Trust's activities;
- Through the offices of the BISE receive assurance in relation to compliance with the National Health Service Litigation Authority (NHSLA) Risk Management Standards and ensure progress towards increasing the level of assurance to NHSLA (Acute Services) Level 3;
- Through the offices of the BISE, receive assurance in relation to the achievement of the Trust's Maternity Risk Standards through the Clinical Negligence Scheme for Trusts (CNST) assessments, and ensure progress towards increasing the level of assurance to CNST Level 3.

## **5. Notice of Meetings**

**5.1** Meetings will be scheduled in advance at the beginning of each calendar year.

**5.2** Details of each meeting, including agenda and supporting papers will be forwarded to each member of the Committee at least 7 days in advance of the meeting.

## **6. Minutes of Meetings**

**6.1** Minutes of the meetings will be circulated, together with associated Actions Log Tracker to all members of the Committee and those in attendance as soon as reasonably practical.

## **7. Monitoring of Effectiveness**

**7.1** The Committee shall, once a year by self-assessment, review its own performance, constitution and Terms of Reference, to ensure it is operating at maximum effectiveness in discharging its responsibilities as set out in these terms of reference and, if necessary, recommend any changes to its terms of reference to the Board.

**8.2** These terms of reference will be approved by the Board and formally reviewed at intervals not exceeding two years.

**Terms of Reference Ratified by: Trust Board**  
**Date of Ratification: 27.01.11 Date of Review: 27.01.12**