

Rules of Procedure



DRAFT VERSION 1

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Acknowledgements

Surrey and Sussex Healthcare NHS Trust acknowledges the advice and assistance of Brighton and Sussex University Hospitals NHS Trust and the copyright expressed by them over their Rules of Procedure, on which this document is based.

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About Surrey and Sussex Healthcare

What we do

Surrey and Sussex Healthcare NHS Trust (SASH) provides a comprehensive range of emergency and non-emergency services to the residents of East Surrey, north-east West Sussex, and south Croydon, including the major towns of Crawley, Horsham, Reigate and Redhill. Our proximity to the M25 and M23 motorways and Gatwick Airport means that we also treat many patients from outside the area and from overseas.

We are responsible for East Surrey Hospital in Redhill, where we provide the more acute and complex services. In addition, we reach out into the community to provide a range of outpatient, diagnostic and less complex planned services closer to home. We provide services at Dorking and Caterham Dene Hospitals, and Oxted Health Centre, in Surrey, and at Crawley, Horsham and Queen Victoria Hospitals in West Sussex, working in partnership with NHS Surrey and NHS West Sussex.

We provide services across the Surrey and West Sussex County Council areas, and we work with the district, borough and town councils of Reigate and Banstead, Mole Valley, Tandridge, Crawley, Horsham and East Grinstead. Our services are commissioned mainly by Surrey, West Sussex and Croydon Primary Care Trusts.

We work in close partnership with our local GPs and commissioners to ensure that local health services are provided and improved in ways which best meet the needs of our patients and their families.

Foundation trust status

SASH hopes to become a foundation trust in 2013.

Our Vision

Provider of Safe, High Quality Healthcare, which puts our community first.

Our Strategy

TO INSERT SLIDE FOLLOWING AGREEMENT

Our Values

1. Personal Accountability

Personal accountability is fundamental. We are all responsible for the success, performance and future of our hospital and community, and the level of care experienced by our patients. We take decisions and act, by accepting responsibility within the parameters of the hospitals strategic goals.

2. Pride

We are proud to be associated with our hospital and community and are loyal and supportive of its progress and achievements.

3. Responsiveness

We welcome new ideas and are open to different perspectives through actively listening, questioning and challenging the conventional.

4. Respect

Everyone who comes into contact with the hospital and community is treated with the same level of respect and dignity. Good work is appreciated and valued both individually and collectively.

5. Quality and Value

Whether by setting ourselves challenging targets, or simply trying to better our best performance in small ways, we are committed to continually improving standards. We are also committed to providing the highest level of value through ensuring every penny spent provides maximum value to our community.

6. Involvement

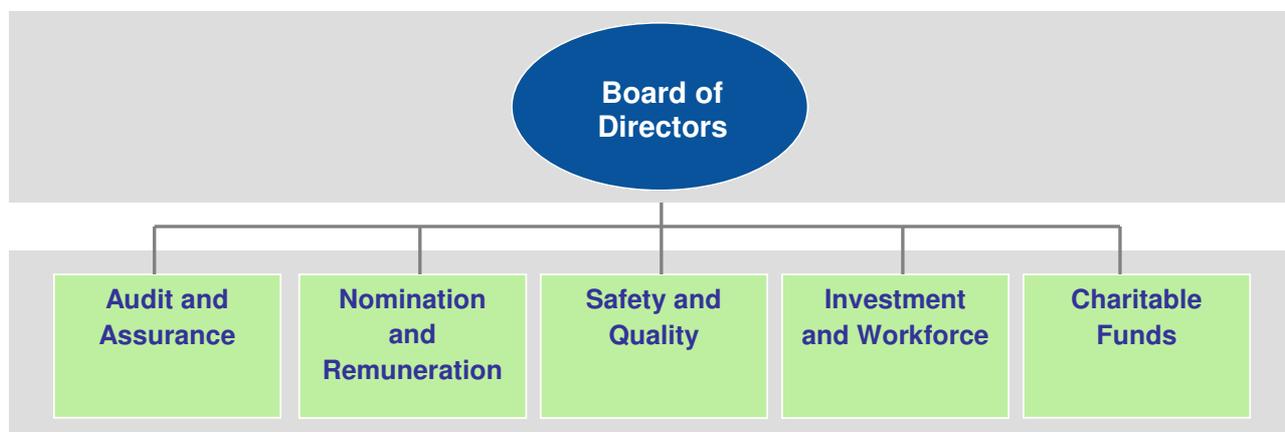
When it comes to discussions everyone has something of value to offer, so everyone is encouraged to participate by contributing ideas and suggestions in their area. We consult each other when making decisions whilst also respecting that there will be times when this is not always possible.

Chapter One Introduction

- 1.1 Good governance provides the key to effective leadership, meaningful challenge and real accountability. Effective governance is not about process; rather it is about successful leadership and making manifest the values of the organisation.
- 1.2 Corporate governance is the system by which companies and other Board-led organisations, including hospitals, are directed and controlled. Good governance provides ambitious, effective but prudent direction that helps to deliver success over time. It is the business of the Board of Directors and is separate from day-to-day operational management, which is the responsibility of executives and the management structure they lead. Corporate governance is ‘what the Board does’ and is therefore the business of every hospital.
- 1.3 These Rules of Procedure describe the corporate governance arrangements within SASH. They should be read in conjunction with the Trust’s Standing Orders, Standing Financial Instructions and Scheme of Delegation, which describe in detail the roles, responsibilities and procedural requirements of the Board of Directors. These Rules of Procedure should also be read in conjunction with the SASH Policy for the Development and Management of Trust Policies. All of these documents are available on our website: www.surreyandsussex.nhs.uk.
- 1.4 The Board of Directors is responsible for providing effective and proactive leadership of the Trust within a framework of processes, procedures and controls which enable risk to be assessed and managed. The Board of Directors shall report upon this system of internal control in the Trust’s annual report. The Board of Directors retains responsibility for delivering effective corporate governance but may delegate certain decisions to Board Committees or establish Committees to provide advice and guidance in this regard.
- 1.5 In these Rules of Procedure, words importing the masculine gender only shall include the feminine gender; words importing the singular shall import the plural and vice-versa. References to any statutory body shall be deemed to include any successor body or bodies which may from time to time assume all or substantially all of the functions of that original statutory body. References to any mandatory guidance issued by Monitor – Independent Regulator of NHS Foundation Trusts (“Monitor”) shall be construed to include a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated or replaced.
- 1.6 These Rules of Procedure will be review in December 2011 or earlier as necessary to reflect any changes as the trust revises policies and progress through its journey to the Foundation Trust status.
- 1.7 A separate version of this document will be developed to comply with Monitor’s requirements and will come to use once FT status is gained.
- 1.8 The diagram on the opposite page shows the SASH corporate governance structure. Please note that the lines in the diagram above and all other diagrams in these Rules of Procedure indicate a relationship which is defined in detail in the relevant terms of reference.

TO INSERT SASH CORPORATE GOVERNANCE STRUCTURE

Chapter 2 Board of Directors



2.1 Summary purpose

The Board of Directors provides proactive leadership of the Trust towards achievement of corporate objectives and oversight of the framework of sound internal controls, risk management and governance in place to support their achievement.

The Board of Directors is responsible for:

1. setting the Trust's strategic aims;
2. setting the Trust's values and standards;
3. the safety and quality of services;
4. holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of internal control are robust and reliable;
5. ensuring that the necessary financial, human and physical resources are in place to enable the Trust to meet its priorities and objectives and periodically reviewing management performance; and
6. ensuring that the Trust complies with these Rules of Procedure, Standing Orders, Standing Financial Instructions, Scheme of Delegation and statutory obligations at all times.

2.2 Self-regulation

2.2.1 The Board of Directors is responsible for implementing an effective system of assurance to support self-regulation.

2.2.2 The Chairman of the Board of Directors shall ensure that it monitors the performance of the Trust in an effective way and satisfies itself that appropriate action is taken to remedy problems as they arise. The Board of Directors must be satisfied with the assurance processes in place which support the preparation of accurate self-certification. The Board of Directors is responsible for establishing the outcomes required by the Trust to achieve the desired risk ratings and implementing processes to track progress and implementation.

2.3 Membership of the Board of Directors

2.3.1 Currently the Board of Directors comprises:

- (i) A non-executive Chairman with a second and casting vote if necessary;
- (ii) Five non-executive Directors
- (iii) The Chief Executive and Accounting Officer;
- (iv) Chief Financial Officer
- (v) Medical Director
- (vi) Chief Nurse
- (vii) Director of Informatics, Estates and Facilities
- (viii) Director of Strategy and Transformation

2.3.3 The Board of Directors shall appoint one of the independent non-executive directors to be the Senior Independent Director (SID). The SID shall be available to employees if they have concerns which contact through the normal channels of Chairman, Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. The SID may be the Deputy Chairman, if there is one.

2.3.4 The Chief Operating Officer, Director of Human Resources and Director of Communications shall attend meetings of the Board of Directors but shall have no voting rights. Other senior employees may be required to attend as the Board of Directors considers appropriate.

2.4 Chairman and Chief Executive: Division of responsibility

No	Chairman of the Board of Directors	Chief Executive
1	The Chairman is not responsible for executive matters.	The Chief Executive is responsible for executive matters. All members of the management structure report either directly or indirectly to him.
2	The chairman's principal responsibility is the effective running of the Board of Directors, and, on its establishment, the Board of Governors	The Chief Executive's principal responsibility is leading the Trust.
3	The Chairman is responsible for ensuring that the Board of Directors as a whole plays a full and constructive part in the development and determination of the Trust's strategy and overall objectives.	The Chief Executive is responsible for developing and implementing the Trust strategy and communicating this to both internal and external stakeholders.
4	The Chairman is the guardian of the decision making process of the Board	The Chief Executive is responsible for implementing the decisions of the Board of

	of Directors.	Directors and its Committees.
5	The Chairman is responsible for the general leadership of the Board of Directors.	The Chief Executive is responsible for the provision of information and support to the Board of Directors.
6	The Chairman is responsible for ensuring the agenda of the Board of Directors takes full account of the important issues facing the Trust and the concerns of all Board members. There shall be an emphasis on strategic, rather than routine issues.	The Chief Executive is responsible for ensuring that he maintains a dialogue with the Chairman on the important strategic issues facing the Trust and agreeing with the Chairman an agenda for the Board of Directors which reflects these.
7	Ensuring, (on the advice of the Board Secretary where appropriate, should one be in post), compliance with the Board of Directors' approved procedures, including the schedule of matters reserved to the Board of Directors for its decision and each Committee's terms of reference.	Ensuring, in consideration with the Chairman (and the Board Secretary as appropriate) that the Management Board complies with the Trust's approved procedures, including the schedule of matters reserved to the Board of Directors for its decision and each Committee's terms of reference.
8	Arranging informal meetings as required of the directors, including meetings of the non-executive directors at which the executive directors are not present, to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.	Ensuring that the Chairman is alerted to forthcoming complex, contentious or sensitive issues which significantly affect the Trust of which he might not otherwise be aware.
9	Proposing to the Board of Directors, in consultation with the Chief Executive, (Board Secretary) and Committee Chairmen as appropriate: <ul style="list-style-type: none"> • A schedule of matters reserved to the Board of Directors for its decision; and • Terms of reference for each Board Committee and other Board of Director policies and procedures. 	Providing input to the Chairman (and the Board Secretary) on appropriate changes to the schedule of matters reserved to the Board of Directors and Committee terms of reference.
10	Proposing the membership of the Board Committees and their Chairman for approval by the Board of Directors.	If so appointed, serving on any Committee of the Board of Directors.

11	Taking the lead in providing a properly constructed induction programme for new directors.	Contributing to the induction programme for new directors and ensuring that appropriate management time is made available for this.
12	Taking the lead in identifying and seeking to continually update the skills and knowledge both of individuals and the Board of Directors as a whole and meeting ongoing development needs.	Ensuring that the development needs of the executive directors and other senior management reporting to him are identified and met.
13	Ensuring that the performance of the Board of Directors as a whole, its Committees, and individual non-executive members of both are periodically assessed.	Ensuring that the performance reviews are carried out at least once a year for each of the executive directors. Providing input to the wider evaluation process of the Board of Directors.

2.5 Unitary Board

All members of the Board of Directors have joint responsibility for every decision of the Board regardless of their individual skills or status. This does not affect the particular responsibilities of the Chief Executive as the Trust's Accounting Officer. All directors, executive and non-executive, have a responsibility to constructively challenge the decisions of the Board of Directors and help develop proposals on priorities, risk mitigation, values, standards and strategy.

2.6 Meetings of the Board of Directors

- 2.6.1 The Board of Directors shall meet at least ten times a year (including Board Seminars). The meeting shall be held in the last week of each month (except December, when the meeting shall be in the second week) in order to ensure timely consideration of performance and financial information relating to the previous month. The meeting shall occur following the completion of the Board Committee meetings taking place that month (Audit and Assurance Committee, Safety and Quality Committee and Investment and Workforce Committee as programmed) to ensure that any matters that the Chairmen of these Committees believe need to be considered by the Board of Directors are done so on a timely basis.
- 2.6.2 No business shall be transacted at a meeting unless a quorum is present, which requires at least one third of the total number of the Board of Directors to be in attendance including not less than one non-executive director and one executive director.
- 2.6.3 The Board of Directors shall meet in public at least 6 times a year. It reserves the right to exclude members of the press and public to consider confidential business, publicity on which would be prejudicial to the public interest (as defined in the Public Meetings Act 1960). When exercising this provision, the Chairman presiding at the

meeting shall summarise the nature of the business to be considered in closed session.

- 2.6.4 The Chairman may, if necessary, exclude any member of the press or public from a meeting if they are interfering with or preventing the proper conduct of a meeting by exercising the relevant power in the Public Meetings Act 1960.

2.7 Standing agenda of the Board of Directors

The agenda of the Board of Directors shall be risk-focused and driven by the Assurance Framework. Key items include:

1. annual approval of strategic plan and budget;
2. annual approval of financial accounts;
3. annual approval of quality accounts;
4. review of Assurance Framework;
5. review of effectiveness of Board, Directors and Committees of the Board of Directors;
6. performance and finance report demonstrating performance against strategic objectives;
7. most recent minutes from each Committee of the Board of Directors; and
8. safety and quality indicators.

2.8 SASH Code of Conduct

- 2.8.1 All members of the Board of Directors shall comply with the SASH Code of Conduct set out as Appendix 1 to these Rules of Procedure.
- 2.8.2 All members shall participate fully in the Board of Directors' development programme. Where a session is missed, arrangements shall be made to ensure skill and knowledge gaps are addressed.

2.9 Administration

- 2.9.1 Agenda for all meetings shall be reviewed by the Chairman of the Board of Directors and shared with members ten working days ahead of each meeting.
- 2.9.2 Papers for all meetings shall be made available no later than five working days in advance of each meeting. Papers shall be prepared in accordance with the Board and Committee paper template available on the Trust's intranet.
- 2.9.3 Papers shall only be tabled at meetings in exceptional circumstances and by agreement with the Chairman presiding at the meeting.

2.10 Decision Making

- 2.10.1 The rules below shall apply to meetings of the Board of Directors.
- 2.10.2 Decisions shall normally be made by agreement following full and open debate rather than by means of a formal vote. Failing agreement, decisions shall be reached by means of a vote when:

- (i) the Chairman presiding at the meeting feels that there is a body of opinion among members of the Board of Directors present at the meeting who disagree with a proposal or have expressed reservations about it; or
 - (ii) when a member of the Board of Directors who is present requests a vote to be taken; or
 - (iii) if the Chairman presiding at the meeting considers that a vote shall be taken.
- 2.10.3 Where a decision requires to be voted upon it shall be determined by a majority of the votes of the members of the Board of Directors present and voting on the question. The Chairman presiding at the meeting shall declare whether or not a resolution has been carried or otherwise.
- 2.10.4 In the case of an equality of votes, the Chairman of the Board of Directors, or, in his absence, the member presiding, shall have a second and casting vote.
- 2.10.5 The minutes of the meeting shall record only the numerical results of a vote, showing the numbers for and against the proposal and noting any abstentions. The minutes shall be conclusive evidence of the outcome. Votes shall not normally be attributed to any individual member of the Board of Directors, but any member may require that their particular vote be recorded provided that he asks the Chairman presiding immediately after the item is concluded.
- 2.10.6 The Board of Directors may defer a decision on an agenda item so that it can be provided with additional information or for any other reason. The decision to defer, together with the reasons for doing so, shall be recorded in the minutes.
- 2.10.7 A senior employee who has been formally appointed to act-up for an executive director during a period of incapacity or temporarily fill an executive director vacancy shall be entitled to exercise the corresponding voting rights.
- 2.10.8 A senior employee attending the Board of Directors to represent an executive director during a period of incapacity or temporary absence but who does not have formal acting-up status in accordance with paragraph 2.10.7 above shall not exercise the corresponding voting rights. Such a senior employee's status when attending a meeting of the Board of Directors shall be recorded by the Secretary in the minutes of the meeting.

2.11 Minutes of meetings

- 2.11.1 The nominated Secretary shall record the minutes of every meeting.
- 2.11.2 The Secretary shall submit the draft minutes to the Board of Directors in advance of its next meeting for agreement, confirmation or otherwise.
- 2.11.3 The record of the minutes shall include:
- (i) the names of:
 - (a) every member present at the meeting;
 - (b) any other person present; and
 - (c) any apologies tendered by an absent member;
 - (ii) the withdrawal from a meeting of any member on account of a conflict of interest; and

(iii) any declaration of interest.

2.11.4 Minutes shall record key points of discussion. They shall not, however, attribute comments to specific members unless this is specifically required by the Chairman presiding at the meeting. Where personnel, finance or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.

2.12 Key Performance Indicators reviewed

2.12.1 The Board of Directors shall agree key performance indicators (KPIs) which relate to strategic objectives so that they can monitor the risk of not achieving them as part of the annual business planning process. KPIs shall be reviewed on at least an annual basis to ensure their ongoing relevance.

2.12.2 A report which details performance against the KPIs shall be received at each meeting of the Board of Directors.

2.13 Assessment of Board effectiveness

The Board of Directors is responsible for ensuring the effectiveness of the Trust's corporate governance arrangements. The Board of Directors shall ensure a process of self-assessment is undertaken annually which considers the effectiveness of the arrangements in place and the overall contribution of the Committees to achievement of the Trust's strategic objectives. This shall include the following actions:

- (i) assessment of Board effectiveness;
- (ii) review of assessment of Audit and Assurance Committee effectiveness;
- (iii) review of the Audit and Assurance Committee's annual report;
- (iv) review of the Safety and Quality Committee's annual report;
- (v) review of the Nomination and Remuneration Committee's annual report;
- (vi) review of the Investment and Workforce Committee's annual report; and
- (vii) review of the Charitable Funds' Annual Report.

2.14 Board Development programme

A programme will be developed for the Board of Directors which ensures that the appropriate level of skill and knowledge training is provided to allow the members of the Board of Directors to fulfil their duties. This development programme shall be reviewed annually and reflect feedback from the assessment process summarised above.

Development however should continue outside of any formal programme, as part of individual's personal development plan and through a number of other opportunities including learning at Board Seminars.

2.15 Board of Directors – Terms of Reference

1. Constitution/Purpose

The Board is responsible for setting strategy and monitoring performance, ensuring that the Trust meets its statutory and regulatory duties and effectively manages risks through the Trust's Assurance Framework and Risk Register.

The Board exercises all the powers of the Trust. These powers can be delegated to a committee of Directors or to an Executive Director.

2. Membership, Chairmanship and Quorum

(a) Membership

The Board membership shall comprise the following:

Trust Chairman

Non-executive Directors (5) – one of whom shall be appointed as Deputy Chairman

Executive Directors:

Chief Executive

Medical Director

Chief Financial Officer

Chief Nurse

Director of Strategy and Transformation

Director of Informatics, Estates and Facilities

(b) Chairmanship

The Board shall be chaired by the Trust's Chairman.

(c) Quorum

A quorum shall be one third of the membership, including at least one voting Executive Director and two Non-executive Directors.

(d) Additional Attendance

In addition, the following will attend Board Meetings:

Chief Operating Officer

Director of Human Resources

3. Frequency of meetings, attendance and monitoring of attendance

(a) Frequency of meetings

Meetings shall be held at least ten times per year and members must attend at least 70 per cent of all meetings but should aim to attend all scheduled meetings.

(b) Attendance

If a member fails to attend two consecutive meetings the Chairman will speak to the individual.

(c) Monitoring attendance

The Board Secretary shall submit a report to the Committee about attendance every six months.

(d) Voting

Only Members of the Board have voting rights. In the event of tied vote, the Chairman will have a casting vote.

4. Duties

The Board is responsible for:

- Ensuring the Trust operates within its statutory and regulatory duties.
- Setting strategic direction, by defining objectives and agreeing plans to achieve them.
- Ensuring that service plans and quality plans reflect the needs of the communities that it serves.
- Monitoring the delivery of planned objectives and ensuring that appropriate correction action is identified and implemented when necessary.
- Ensuring the Trust's financial viability is monitored through the establishment of effective financial stewardship.
- Establishing frameworks which ensure high standards of personal behaviour are implemented and monitored in the conduct of the Trust's business.

5. Committees of the Board

- The Audit and Assurance Committee acts as a Committee of the Trust Board.
- There are four formal sub-committees of the Board:
 - Safety and Quality Committee
 - Nominations and Remuneration Committee
 - Charitable Funds Committee
 - Investment and Workforce Committee

- The Nominations and Remuneration Committee has delegated board responsibility for agreeing and setting the remuneration of the executive team.
- The Charitable Funds Committee acts independently of the Trust's Board but shall report to the Trust's Board for information and therefore has delegated responsibility for the Trust' charitable funds.
- The Safety and Quality Committee has delegated responsibility to obtain any outside legal or other professional advice and/or within any budgetary restrains imposed by the Board of Directors to appoint Consultants and to commission or purchase any relevant reports, surveys or information which it deems to be necessary.
- The Investment and Workforce Committee has delegated responsibility within any budgetary restrains imposed by the Board of Directors, to appoint external professional advisors, and to commission or purchase any relevant reports, surveys or information which it deems to be necessary.

6. Terms of Reference

The Terms of Reference of the Trust Board shall be reviewed by the Board of Directors annually.

Board of Directors: Standing Agenda

1 General Business

Chairman's welcome and apologies for absence
Declaration of interests
Minutes of previous meeting
Agreed actions tracker
Reports from Board Committees

2 Strategy

Update on strategic issues

3 Safety and Quality

Patient experience
Infection control

4 Risk & Regulatory

Risk Register
Regulatory update (e.g. CQC Risk Profile)

5 Financial and Operational Performance

Board performance dashboard
Finance report

6 General

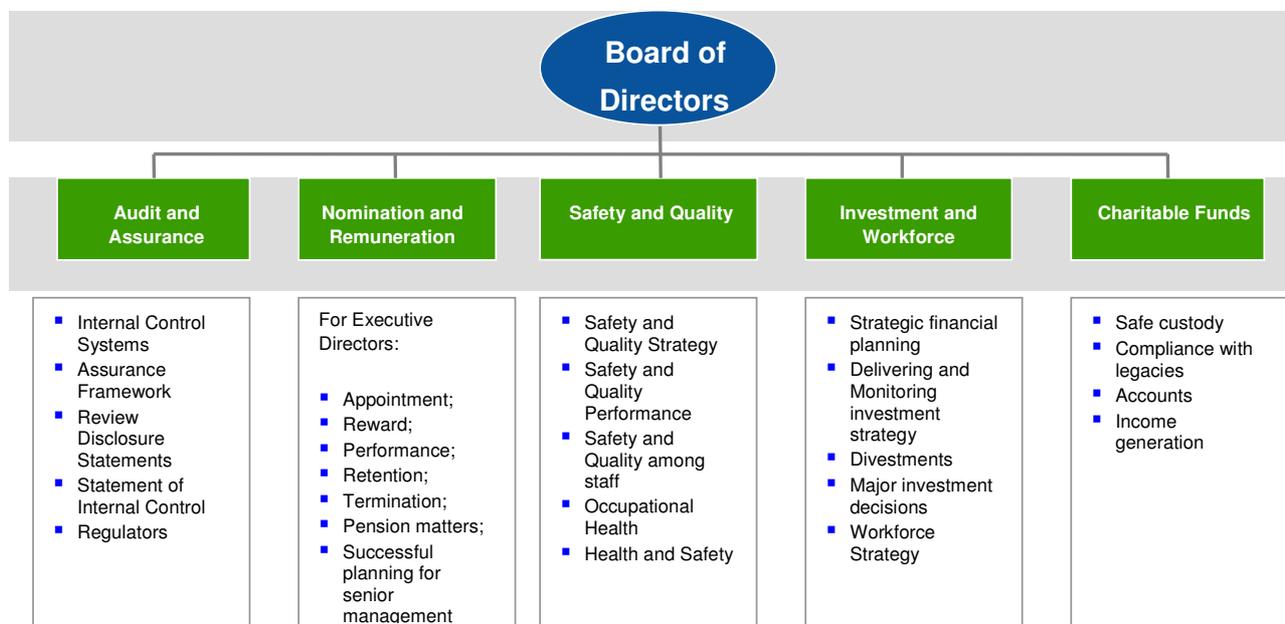
Opportunity for members of the public to ask questions
Any other business
Date of next meeting

In addition, the Board of Directors shall consider succession planning at one of its meetings during any given financial year.

Chapter 3 Committees of the Board of Directors

3.1 Key duties of Board Committees and reporting timetable

The diagram below summarises the main duties of the Committees of the SASH Board of Directors:



Board Committees shall meet prior to the Board of Directors so that the Chairmen of the Committees have an opportunity to report matters that the whole Board needs to be aware of and take action upon. Minutes of Board Committees shall be circulated to the Board of Directors for information and any discussion as soon as they have been approved in draft by the Chairman of the relevant Committee. Annual meetings shall occur in line with the timetable below to ensure appropriate and timely scrutiny of actions.

Example Timetable only

Timetable												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Meeting												
Board of Directors	W4	W2										
Audit			W3			W1			W3			W1
Nomination & Remuneration	W2			W2			W2			W2		
Safety and Quality	W1											
Investment and Workforce	W3											
NHS Trust Submission												
Annual accounts				✓		✓						
Quality account				✓								
NHS foundation trust Submissions (to be followed in shadow form for as long as an NHS Trust)												
Annual plan					✓							
Quarterly accounts – Including self-certification	✓			✓			✓			✓		

Timetable

Mid-year forecast ✓

Other NHS Regulators

CQC Registration ✓ ✓ ✓ ✓

Note: W – Week in month

3.2 Reporting arrangements

The inter-relationships between the Committees and the Board of Directors and the reporting responsibilities of the former to the Board of Directors is shown below:

	Board of Directors	Audit and Assurance Committee	Nomination and Remuneration Committee	Safety and Quality Committee	Investment and Workforce Committee
Receives papers from:	<ul style="list-style-type: none"> ■ Executive directors ■ External professional advisors (as appointed by the Board from time-to-time) 	<ul style="list-style-type: none"> ■ Executive directors ■ Internal Audit ■ External Audit ■ Local Counter Fraud Service 	<ul style="list-style-type: none"> ■ Director Human Resources ■ External advisors 	<ul style="list-style-type: none"> ■ Divisional Safety and Quality Committees ■ Periodic Reports from Committees of Management Board with respect to safety and quality 	<ul style="list-style-type: none"> ■ Executive directors ■ Director of Human Resources ■ Senior Finance Team ■ Budget holders
Receives minutes from:	<ul style="list-style-type: none"> ■ Audit and Assurance Committee ■ Safety and Quality Committee ■ Investment and Workforce Committee ■ Nomination and Remuneration Committee 	<ul style="list-style-type: none"> ■ Safety and Quality Committee ■ Investment and Workforce Committee 	<ul style="list-style-type: none"> ■ N/a 	<ul style="list-style-type: none"> ■ Audit and Assurance Committee 	<ul style="list-style-type: none"> ■ N/a
Submits minutes to:	<ul style="list-style-type: none"> ■ Board of Governors (on establishment) 	<ul style="list-style-type: none"> ■ Board of Directors 	<ul style="list-style-type: none"> ■ Board of Directors 	<ul style="list-style-type: none"> ■ Board of Directors ■ Audit and Assurance Committee ■ Management Board 	<ul style="list-style-type: none"> ■ Board of Directors ■ Audit and Assurance Committee ■ Management Board

Submits annual reports to:	<ul style="list-style-type: none"> ■ On achieving FT status, Monitor and Parliament 	<ul style="list-style-type: none"> ■ Board of Directors 	<ul style="list-style-type: none"> ■ Board of Directors 	<ul style="list-style-type: none"> ■ Board of Directors 	<ul style="list-style-type: none"> ■ Board of Directors
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3.3 Principles of Committees

Good governance is built upon effective engagement of Board and Committee members. To ensure that the framework set out in these Rules of Procedure operates effectively, it is important that performance against key performance indicators is measured and forms part of any self-assessment process. The standards with which all Board Committee members shall comply to ensure good governance are set out below.

3.4 Conduct

All Committee members shall comply with the Code of Conduct set out as Appendix 1 to these Rules of Procedure.

3.5 Attendance

- 3.5.1 The definition of a quorum shall be defined in the relevant terms of reference of each Committee. Business cannot be transacted in the absence of a quorum.
- 3.5.2 To ensure that good governance practices operate effectively and Committees make a positive contribution to delivery of corporate objectives, meetings where planned attendance would lead to there not being a quorum shall be reviewed and rescheduled as appropriate to minimise delays in decision making.
- 3.5.3 All non-executive directors are expected to serve on a minimum of one Committee and be involved in leading project groups as appropriate to their expertise.
- 3.5.4 Committee members shall attend at least two-thirds of the total number of meetings in any given twelve month period. Attendance rates shall be recorded by the Secretary of each Committee and published in the Trust's annual report. Any issues concerning poor attendance shall be considered by the Chairman of the relevant Committee in consultation with the Chairman of the Board of Directors and acted on as appropriate.
- 3.5.5 All non-executive directors have a right of attendance of Committees of the Board of Directors. The Chairman shall not normally exercise this right of attendance in respect of the Audit and Assurance Committee.

3.6 Appointment to Committees

- 3.6.1 All non-executive directors shall be submitted for re-appointment or re-election at regular intervals.
- 3.6.2 Any term beyond six years (for example two three-year terms) shall be subject to a particularly rigorous review and shall take into account the need for progressive refreshing of a Committee.

3.7 Administration

- 3.7.1 Agenda for all meetings shall be reviewed by the Chairman of the Committee and shared with members ten working days ahead of each meeting unless a variation is stipulated in the Committee's terms of reference.
- 3.7.2 Papers for all meetings shall be made available no later than five working days in advance of each meeting unless a variation to this is stipulated in the Committee's terms of reference. Papers shall be prepared in accordance with the Board and Committee paper template.
- 3.7.3 Papers shall only be tabled at meetings in exceptional circumstances and by agreement with the Chairman of the Committee.
- 3.7.4 The agenda of the meeting shall be reviewed to ensure that only tasks defined within the Committee terms of reference are included.
- 3.7.5 All Committee members shall undertake defined self-assessment procedures at least annually.

3.8 Decision making

- 3.8.1 The rules below in relation to decision making shall apply to Board Committees unless otherwise stated within their terms of reference.
- 3.8.2 Decisions shall normally be made by agreement following full and open debate rather than by means of a formal vote. Failing agreement, decisions shall be reached by means of a vote when:
 - (i) the Chairman presiding at the meeting feels that there is a body of opinion among members of the Committee present at the meeting who disagree with a proposal or have expressed reservations about it; or
 - (ii) when a member of the Committee who is present requests a vote to be taken; or
 - (iii) if the Chairman presiding at the meeting considers that a vote shall be taken.
- 3.8.3 Where a decision requires to be voted upon it shall be determined by a majority of the votes of the members of the Committee and voting on the question. The Chairman presiding at the meeting shall declare whether or not a resolution has been carried or otherwise.
- 3.8.4 In the case of an equality of votes, the Chairman of the Committee, or, in his absence, the member presiding, shall have a second and casting vote.
- 3.8.5 The minutes of the meeting shall record only the numerical results of a vote, showing the numbers for and against the proposal and noting any abstentions. The minutes shall be conclusive evidence of the outcome. Votes shall not normally be attributed to any individual Committee member, but any member may require that their particular vote be recorded provided that he asks the Chairman presiding immediately after the item is concluded.
- 3.8.6 A Committee may defer a decision on an agenda item so that it can be provided with additional information or for any other reason. The decision to defer, together with the reasons for doing so, shall be recorded in the minutes.
- 3.8.7 A senior employee who has been formally appointed to act-up for an executive director during a period of incapacity or temporarily fill an executive director vacancy shall be entitled to exercise the corresponding voting rights at a Committee.

3.8.8 A senior employee attending a Board Committee to represent an executive director during a period of incapacity or temporary absence but who does not have formal acting-up status in accordance with paragraph 3.8.7 above shall not exercise the corresponding voting rights. Such a senior employee's status when attending a meeting of a Board Committee shall be recorded by the Secretary in the minutes of the meeting.

3.9 Minutes of meetings

3.9.1 The nominated Secretary shall record the minutes of every meeting.

3.9.2 The Secretary shall submit the draft minutes to the Committee in advance of its next meeting for agreement, confirmation or otherwise.

3.9.3 The record of the minutes shall include:

- (i) the names of:
 - (a) every member present at the meeting;
 - (b) any other person present; and
 - (c) any apologies tendered by an absent member;
- (ii) the withdrawal from a meeting of any member on account of a conflict of interest; and
- (iii) any declaration of interest.

3.9.4 Minutes shall record key points of discussion. They shall not however attribute comments to specific members unless this is specifically required by the Chairman presiding at the meeting. Where personnel, finance or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.

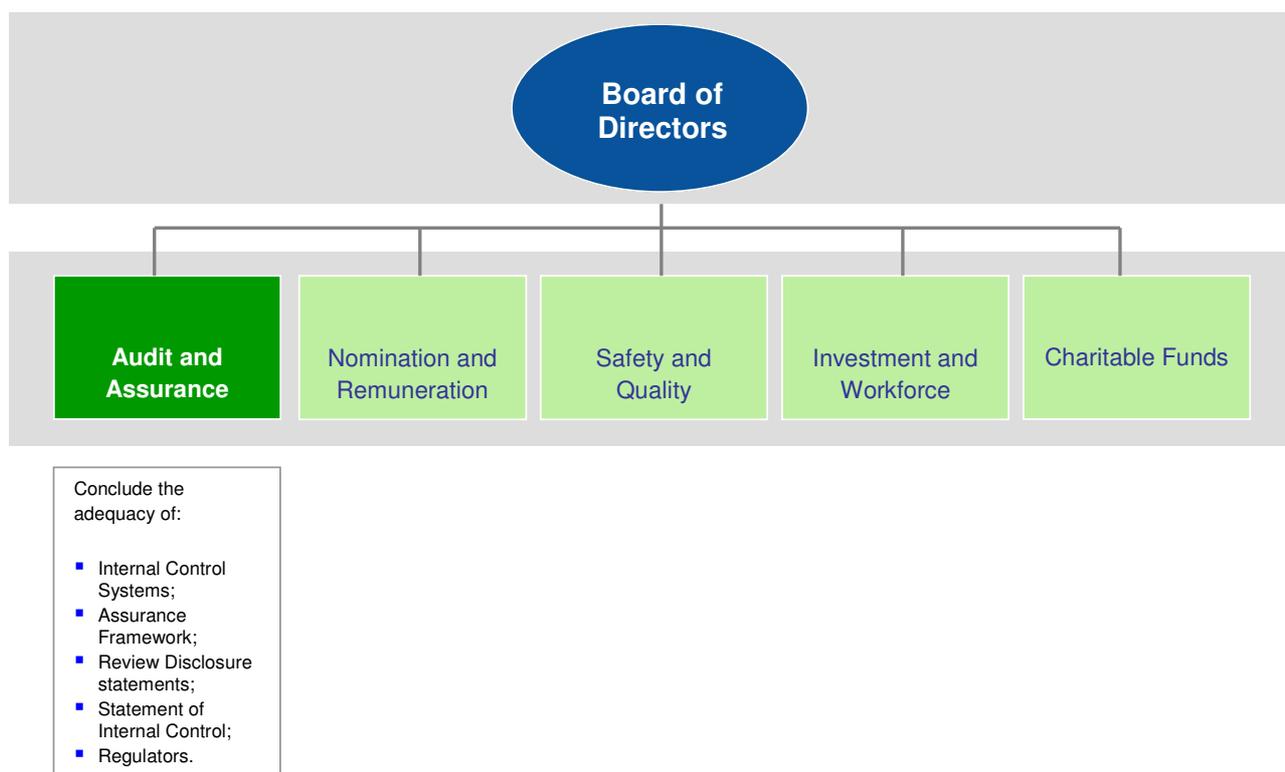
3.10 Assessment of effectiveness

3.10.1 In order to ensure that they are delivering a positive contribution to the overall governance of the Trust, each Committee shall prepare an annual report to the Board of Directors. This report shall:

- (i) summarise the programme of work conducted each year;
- (ii) confirm compliance with the Committee's terms of reference; and
- (iii) detail the positive contribution the Committee has made to the governance of the Trust and its contribution to the achievement of the Trust's strategic objectives.

3.10.2 The Chairman of each Committee shall present this report to the Board of Directors.

Chapter 4 Audit and Assurance Committee



4.1 Summary purpose and authority

- 4.1.1 In line with the requirements of *The NHS Audit and Assurance Committee Handbook* and the *NHS Codes of Conduct* and *NHS Code of Accountability*, which are consistent with Monitor's *NHS Foundation Trust Code of Governance*, an Audit and Assurance Committee is constituted to provide the Board of Directors with an independent and objective review of its financial systems, financial information, system of internal control and compliance with laws, guidance and regulations governing the NHS.
- 4.1.2 The primary role of the Audit and Assurance Committee is to conclude upon the adequacy and effective operation of the Trust's overall internal control system. It is the role of the executive to implement a sound system of internal control agreed by the Board of Directors. The Audit and Assurance Committee provides independent monitoring and scrutiny of the processes implemented in relation to governance, risk and internal control. The Committee shall also review and challenge the Trust's Information Assurance Framework to ensure that there are appropriate controls in relation to data quality.
- 4.1.3 The Audit and Assurance Committee's work shall focus on the framework of risks, controls and related assurances that underpin the delivery of the Trust's objectives. The Audit and Assurance Committee is a crucial function in reviewing the Trust's external reporting disclosures in relation to finance and internal control, including the annual report and accounts, Statement on Internal Control and required declarations. At least one of its members must have recent and relevant financial experience.

4.1.4 Members of the Audit and Assurance Committee shall be independent non-executive directors who are financially literate and have the personal and professional characteristics necessary to be effective. The Audit and Assurance Committee shall be informed, vigilant and effective overseers of the financial reporting process. To do this, Audit and Assurance Committee members must be prepared to invest the time necessary to understand why accounting policies were chosen, how they were applied, and whether the end result fairly represents the Trust's actual status. This means that they need to understand the substance of complex transactions and determine that the financial statements reflect fairly their understanding.

4.2 External Auditor

As an NHS Trust, the External Auditor is appointed by the Audit Commission and paid for by the Trust. The Audit and Assurance Committee shall ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this shall be raised with the External Auditor and referred on to the Audit Commission if the issue cannot be resolved.

4.3 Assessment of effectiveness

In order to ensure that it is delivering a positive contribution to the overall governance of the Trust, the Audit and Assurance Committee shall undertake a number of effectiveness reviews each year.

4.4 Annual Report to the Board of Directors

4.4.1 The Audit and Assurance Committee shall produce an annual report to the Board of Directors which details the programme of work conducted each year, adherence to the Committee's terms of reference, and details of the positive contribution the Audit and Assurance Committee has made to the governance of the Trust.

4.4.2 The Audit and Assurance Committee Chairman shall present this report to the Board of Directors.

4.5 Review of Audit and Assurance Committee effectiveness

4.5.1 The Audit and Assurance Committee shall complete an assessment of its effectiveness on an annual basis. A full evaluation shall be performed every three years. In intervening years, a shorter evaluation shall be performed. Both evaluation documents are available here: [\[insert link\]](#).

4.5.2 In addition, members of the Board of Directors who are not members of the Audit and Assurance Committee shall also assess the effectiveness of the Audit and Assurance Committee, the evaluation document for which is available at the link referred to in paragraph 4.5.1 above.

4.6 Review of Internal Audit effectiveness

- 4.6.1 The Audit and Assurance Committee shall complete the Audit and Assurance Committee Institute's *Assessment of Internal Audit* toolkit annually to confirm compliance with best practice. This is available at the link referred to in paragraph 4.5.1 above. A copy of the toolkit that has been completed by management shall be submitted to assist in this process.
- 4.6.2 The Audit and Assurance Committee shall receive an annual report from the Head of Internal Audit which reports compliance with Internal Audit KPIs.

4.7 Review of External Audit effectiveness

The Audit and Assurance Committee shall complete the Audit and Assurance Committee Institute's *Assessment of External Audit* toolkit annually to confirm compliance with best practice, which is available at the link referred to in paragraph 4.5.1 above.

Audit and Assurance Committee Terms of Reference

1. Background

- 1.1 These terms of reference build on the work of the Cadbury Committee, Greenbury Reports and the reports by Smith, Higgs and Turnbull (reference “Combined Code – Principles of Good Governance and Code of Best Practice”) and subsequent guidance and best practice in the private and public sector. They reflect the particular nature of audit committees in the NHS and the growing role of the committee in developing integrated governance arrangements and providing assurance that bodies are well managed across the whole range of their activities.

2. Constitution

- 2.1 The Board hereby resolves to establish a committee of the Board to be known as the Audit and Assurance Committee (The Committee).
- 2.2 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.
- 3.1 The Committee shall be appointed by the Board from the non-executive directors of the Trust and shall consist of not less than three members.
- 3.2 A quorum shall be two members.
- 3.3 The Board will appoint one of the members *to be* Chair of the Committee. The Chairman of the organisation shall not be a member of the Committee.

3. Membership

- 3.1 The executive director of finance, the executive director with responsibility for governance and appropriate internal and external Audit representatives shall normally attend meetings. However, at least once a year the Committee should meet privately with the external and internal auditors.

The Committee shall request the attendance of the Executive Directors when discussing risk or requiring assurance in relation to their areas of responsibilities.

The Chief Executive should be invited to attend, a minimum of 2 meetings per year, to discuss with the Committee the process for assurance that supports the agreeing of accounts and the Statement on Internal Control.

- 3.2 The Trust Secretary, or whoever covers these duties, shall be secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chairman and committee members.

4. Frequency

- 4.1 Meetings shall be held not less than four times a year and normally will take place every two months.

4.2 The External Auditor or Head of Internal Audit may request of the Chair a meeting is held if they consider that one is necessary.

5. Authority

5.1 The Committee is authorised by the Board 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.

5.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of persons external to the Trust with relevant experience and expertise if it considers this necessary.

6. Duties

The duties of the Committee can be categorised as follows:

6.1 Governance, Risk Management and Internal Control

The Committee shall 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 (both clinical and non-clinical), which supports the achievement of the organisation's objectives. In particular, the Committee will review the adequacy of:

- all risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the Standards for Better Health), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
- 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;
- the policies for ensuring compliance with relevant *Care Quality Commission regulatory framework*, 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.

In carrying out this work the Committee will primarily utilise the work of internal audit, external audit and other assurance functions (for example the Trust's clinical audit function), but will not be limited to these. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

In relation to the Board Assurance Framework the committee will use this to guide its work and that will provide assurance that the controls and actions taken to address any gaps are robust and support the delivery of corporate objectives.

6.2 Internal Audit

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

- consideration of the provision of the internal audit service and the cost of audit;
- review and approval of the internal audit strategy, operational plan and the more detailed programme of work, ensuring this is consistent with the audit needs of the organisation as identified in its approved assurance framework;
- consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the internal and external auditors to optimise audit resources;
- ensuring 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 shall review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management's responses to their work. This will be achieved by:

- consideration of the appointment and performance of the External Auditor, as far as the Audit Commission's rules permit;
- 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 coordination, as appropriate, with other external auditors in the local health economy;
- discussion with the External Auditors of their evaluation of local audit risks and assessment of the Trust and its associated impact on the audit fee;
- review all External Audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the annual audit plan, together with the appropriateness of management responses.

6.4 Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation. These will include, but will not be limited to, any reviews by Department of Health Arms Length Bodies or Regulators/Inspectors (e.g. Healthcare Commission, NHS Litigation Authority, etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.), and reports by the Trust's local counter fraud specialist.

In addition, the Committee will review the work of other committees, working groups and senior responsible officers within the organisation, whose work can provide relevant assurance to the Committee's own scope of work.

The Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function and outcome measures from the Trusts clinical benchmarking systems.

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 appropriate.

6.6 Financial Reporting

The Committee shall 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 mis-statements in the financial statements
- major judgmental areas
- significant adjustments resulting from the audit

The Committee should also ensure 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. Reporting

The minutes of the Committee meetings shall be formally recorded by the Trust Secretary and submitted to the Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.

The Committee will report to the Board annually on its work in support of the Statement on Internal Control, specifically commenting on the fitness for purpose of the assurance framework, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and the appropriateness of the self-assessment against the Standards for Better Health.

8. Other Matters

The Trust Secretary, whose duties in this respect will include the following, shall support the Committee administratively:

- Agreement of agenda with Chairman and attendees and collation of papers
- Organising the attendance of appropriate persons to meetings (other than those who would usually attend)
- Taking the minutes and keeping a record of matters arising and issues/ actions to be carried forward
- Advising the Committee on pertinent matters

Audit and Assurance Committee: Standing Agenda

1 General Business

Apologies
Declaration of interests
Minutes of previous meeting
Agreed actions tracker

2 Audit Items

External Audit report
Internal Audit report
Local Counter Fraud Specialist report

3 Risk

Summary of business of other Board Committees
Minutes of Safety and Quality Committee
Internal Controls Assurance Framework (quarterly)
Process assurance on compliance with CQC registration
Audit and assurance outstanding recommendations tracker
Strategic risk management report
Information Assurance Framework
Chief Financial Officer's report on financial risks

4 General

Issues to report to the Board of Directors
Any other business
Date of next meeting

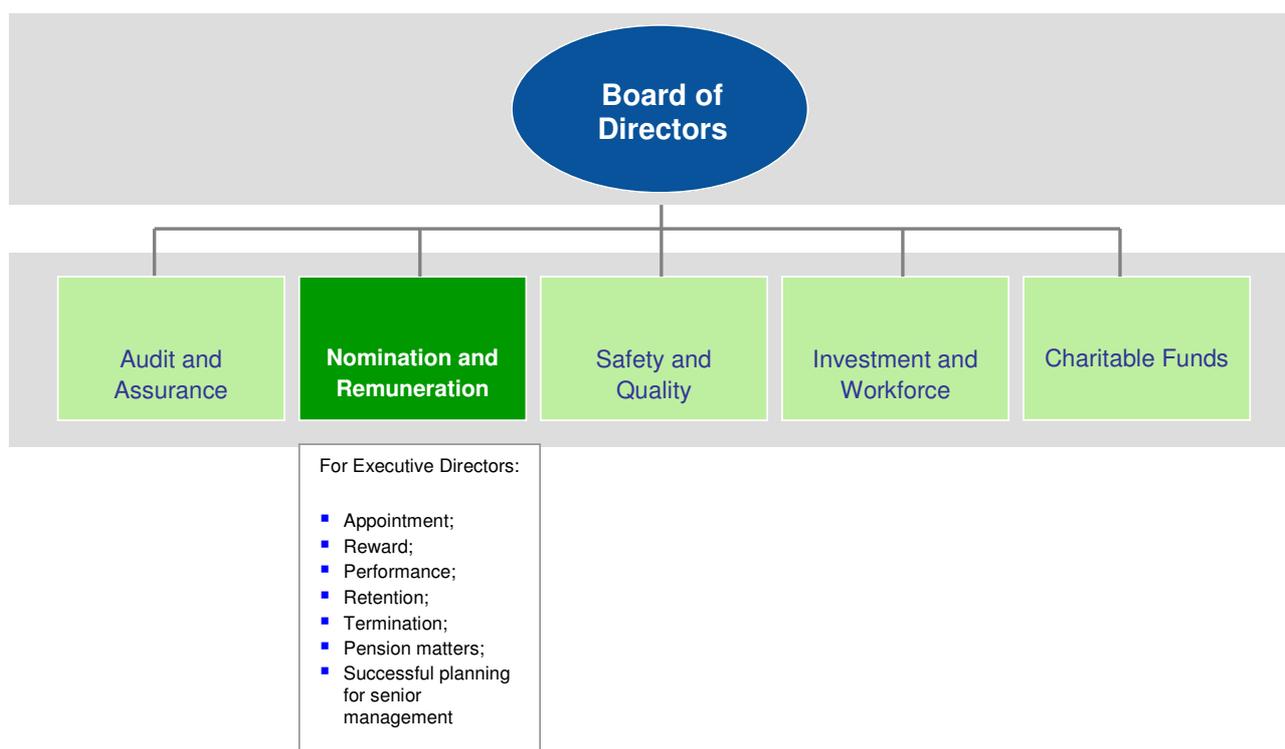
Audit and Assurance Committee: Meeting Timetable (Draft for review)

The meetings shall occur at regular intervals throughout the year and shall receive reports in a sequence that allows the Committee to review annual reports with foresight of other relevant assurance reports. The expected timetable of the Committee is set out below:

Audit and Assurance Committee Timetable	March	June	September	December
1. Review of the Committee's terms of reference	✓			
2. Review of the Committee's timetable for the year	✓			
3. Review of the Committee's effectiveness	✓			
4. Review of performance of other Board Committees	✓			
Governance, Assurance, Risk Management and Internal Control			✓	
5. Review of the effectiveness of corporate governance				
6. Review of the effectiveness of risk management			✓	
7. Review of the effectiveness of internal control			✓	
8. Review the Statement of Internal Control	✓			
9. Finalise the Statement of Internal Control		✓		
10. Review the Head of Internal Audit statement		✓		
11. Review of the External Audit opinion / independent assurance		✓		
12. Review the findings of other significant assurance functions		✓		
13. Review of regulatory, legal and code of conduct policies				✓
14. Review corporate governance, risk management and internal control reports provided by directors and managers		✓		
15. Report audit, risk or internal control issues to the Board of Directors		✓		
16. Provide an annual report to the Board of Directors		✓		
Internal Audit				
17. Consider the cost, appointment and removal of the Internal Auditors	✓			
18. Review and approve the Internal Audit strategy for next financial year	✓			
19. Review and approve the operational strategy	✓			
20. Review and approve the operational plan	✓			
21. Review and approve the programme of work	✓			
22. Consider the reported findings and proposed actions		✓	✓	✓
23. Monitor the audit and assurance outstanding recommendation tracker	✓	✓	✓	✓

Audit and Assurance Committee Timetable	March	June	September	December
Governance, Assurance, Risk Management and Internal Control (continued)				
24. Review the Internal and External Audit protocol		✓		
25. Monitor core Internal Audit KPIs			✓	
26. Undertake an annual review of the Internal Audit function			✓	
Counter Fraud				
27. Review and approve Counter Fraud plan	✓			
28. Review policies and procedures		✓		
29. Review procedures for fraud detection and whistleblowing		✓		
30. Review Counter Fraud annual report		✓		
External Audit				
31. Review the work and findings of the External Auditor	✓			
32. Review the External Audit fees on an annual basis	✓	✓		
33. Consider the appointment of the External Auditor	✓			
34. Consider the performance of the External Auditor		✓		
35. Evaluate External Audit against a standardized evaluation toolkit		✓		
36. Discuss the nature and scope of the audit	✓			
37. Discuss the evaluation of audit risks and fee implications	✓			
38. Review all External Audit reports	✓	✓		✓
39. Agree the annual audit letter		✓		
40. Submit the annual audit letter to the Board of Directors		✓		
41. Review any work undertaken outside of the annual plan	✓	✓	✓	✓
Financial Reporting				
42. Review the annual accounts		✓		
43. Review financial reports prior to submission to the Board		✓		
44. Review schedules of losses and compensations		✓		
45. Monitor compliance with the Trust's Standing Orders	✓	✓	✓	✓
46. Monitor compliance with the Trust's Standing Financial Instructions	✓	✓	✓	✓
47. Review schedules of debtor and creditor balances	✓	✓	✓	✓
Information Assurance				
48. Monitor the Trust's Information Assurance Framework	✓	✓	✓	✓

Chapter 5 Nomination & Remuneration Committee



5. Summary purpose and authority

- 5.1 The Nomination and Remuneration Committee's role is to appoint and, if necessary, dismiss the executive directors, establish and monitor the level and structure of total reward for executive directors, ensuring transparency, fairness and consistency. The Committee shall receive reports from the Chairman of the Board of Directors on the annual appraisal of the Chief Executive, and from the Chief Executive on the annual appraisals of executive directors, as part of determining their remuneration.
- 5.2 Levels of remuneration shall be sufficient to attract, retain and motivate executive directors of the quality and with the skills and experience required to lead the Trust successfully, but no more than is necessary for this purpose.
- 5.3 There shall be a formal and transparent procedure for developing policy on executive remuneration and for setting the remuneration packages of individual directors. No executive director shall be involved in deciding his own remuneration.
- 5.4 The Committee shall develop and implement an effective succession plan to identify and develop internal personnel to fill key senior management posts as part of ensuring the availability of experienced and skilled employees when posts become available. For executive directors other than the Chief Executive, the Committee shall take advice from the Chief Executive.
- 5.5 The terms of reference reflect the statutory requirements that apply to NHS Trusts. On authorisation as an NHS foundation trust, the Trust shall establish separate Nomination and Remuneration Committees, the terms of reference for which shall be prepared in advance of authorisation.

Nomination and Remuneration Committee: Terms of Reference

1. Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration and Terms of Service Committee (The Committee).

2. Membership

The Committee comprises:

- The Board Chair
- All Non-Executive Directors

The Chief Executive, or other Executive Directors, will be invited to attend the Committee in an advisory capacity but will withdraw when a matter concerning his/her remuneration package or other matter of individual confidentiality is being discussed or documented.

The Director of Human Resources will also attend the Committee as adviser.

The Director of Human Resources will be responsible for minuting the Meetings.

3. Quorum

No business shall be transacted at a meeting unless the Chair of the Board or Deputy Chair and two Non-Executive Directors are present for the whole meeting.

4. Frequency

The Committee will meet as required by the Chair of the Board and at least twice per year.

5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. In particular it may:

- Seek advice from whatever source it deems to be appropriate.
- Authorise the Chief Executive and HR Director to implement remuneration packages approved by the Committee, providing the sums are within the delegated powers in the Standing Orders and Standing Financial Instructions.

6. Duties

The main functions of the Committee are:

- To advise the Board about performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Executive Directors, guided by NHS policy and best practice. Advice to the Board on remuneration includes all aspects of salary as well as arrangements for termination of employment and other contractual terms.

- To make such recommendations to the Board on the succession planning and on the remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors, to ensure that they are fairly motivated and rewarded for their individual contribution to the organisation – having proper regard to the organisation's circumstances and performance and to the provision of national arrangements.
- To monitor and evaluate the performance and development of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors.
- To advise the Board and oversee appropriate contractual arrangements for the Chief Executive and Executive Directors including the proper calculation and scrutiny of termination payments taking account of such national guidance as appropriate.
- The Chief Executive is responsible for ensuring that the Director of Human Resources brings forward the necessary information in a timely manner to enable the Committee to discharge its functions and takes appropriate follow-up action.

7. Reporting

Formal minutes will be recorded of each meeting of the Committee and will be distributed to those present at meetings. All recipients will hold minutes securely and Auditors may access the official Minute Book held by the Secretary with the prior approval of the Chair of the Board.

The Committee will report in writing to the Board at least once annually the basis for its decisions and recommendations.

8. Review Date

The Terms of Reference of the Committee will be reviewed in December 2011

Nomination and Remuneration Committee: Standing Agenda

1 General Business

Apologies
Declaration of interests
Minutes of previous meeting
Agreed actions tracker

2 Executive Director Pay structure

Review structure of reward
Assess performance
Review benchmarks
Consider, and if appropriate, approve any changes

3 Nominations & Terminations

Selection / termination process
Succession planning

4 General

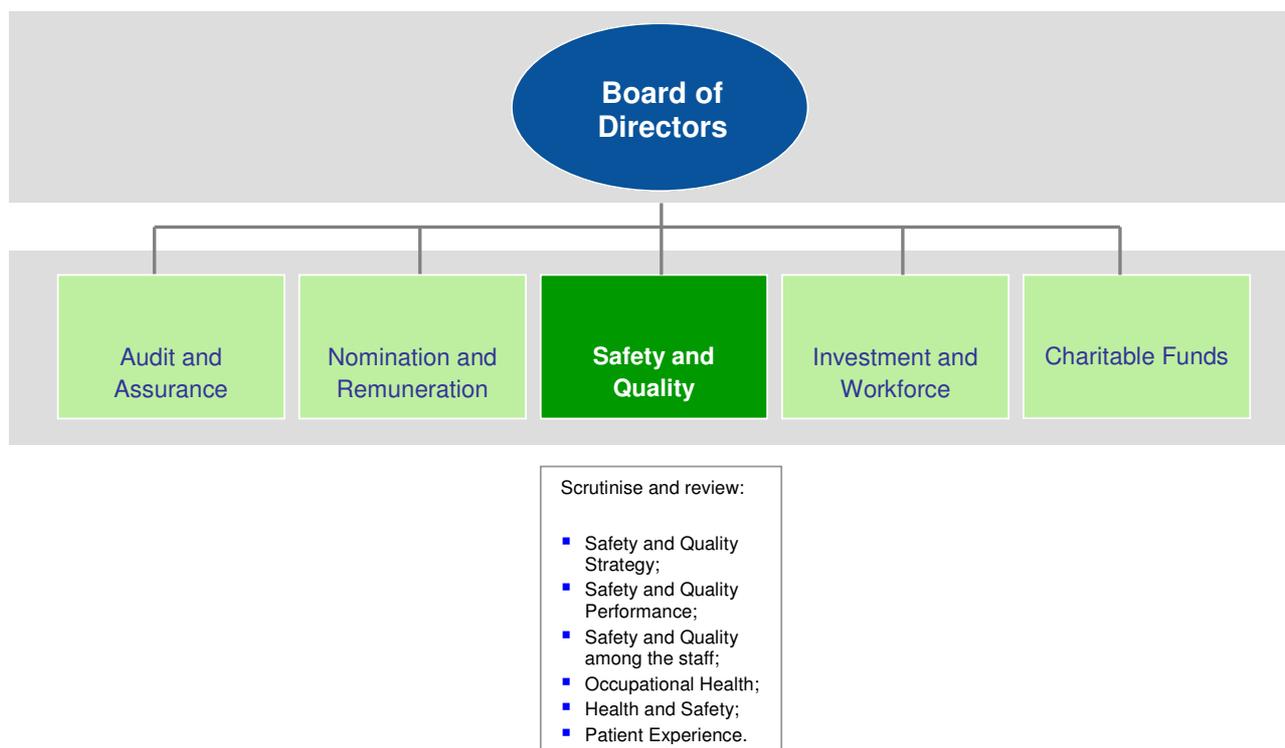
Issues to report to the Board of Directors
Date of next meeting
Any other business

Nomination and Remuneration Committee: Meeting Timetable

The Committee shall meet at least four times during the year and at other times when the Chairman of the Committee shall require and shall be ordered whenever there is an appointment or termination of an executive director.

Nominations and Remuneration Committee	January	April	July	October
1. Prepare an annual report to the Board of Directors		✓		
Policies				
2. Monitor level and structure of reward against agreed policies	✓			
3. Monitor policies for transparency, fairness and consistency	✓			
Appointment				
4. Appoint the Chief Executive and executive directors			AS REQUIRED	
5. Agree the selection process to fill arising vacancies			✓	
6. Determine total individual remuneration packages		✓		
Performance-related remuneration [if any]				
7. Review the structure of executive directors' remuneration and design schemes of performance-related remuneration	✓			
Succession planning				
8. Identify the key roles for succession and the capabilities required			✓	
9. Identify and prepare employees to potentially fill the roles			✓	
Dismissal and Termination payments				
10. Determine the method for the termination of a senior manager's employment			AS REQUIRED	
11. Prepare a business case			AS REQUIRED	
12. Review the contractual terms of the contract termination			AS REQUIRED	
Benchmarking				
13. Obtain reliable up-to-date information about remuneration in other Trusts and comparable organisations				✓

Chapter 6 Safety and Quality Committee



6.1 Purpose and authority

- 6.1.1 The Safety and Quality Committee has delegated authority to ensure the ongoing development and delivery of the Trust's Safety and Quality Strategy and that this drives the Trust's overall strategy.
- 6.1.2 The Trust's arrangements reflect the national drive for greater quality in healthcare, with a focus on safety, effectiveness and patient experience.
- 6.1.3 The July 2010 White Paper *Equity and excellence: Liberating the NHS* included a wide range of reforms, one of which proposes that providers shall have a two part licence overseen by Monitor and CQC to maintain levels of safety and quality and ensure continuity of essential services. Monitor will have powers to ensure that essential services are maintained.
- 6.1.4 The changes reflect the significant regulation in place for healthcare providers that is designed to ensure delivery of high quality and safe services. The Committee shall have responsibility for ensuring that accurate and appropriate returns are submitted and action plans and recommendations arising from any local and national reviews are effectively implemented.
- 6.1.5 The duties of the Committee shall ensure the implementation, delivery and monitoring of the Trust's Safety and Quality Strategy. The Committee shall also be responsible for managing the safety of staff through ensuring compliance with industry standards and the implementation of effective internal controls around health and safety arrangements for the Trust's estate and occupational health service.

As part of its application for NHS foundation trust status, the Safety and Quality Committee shall support the Board of Directors in ensuring that clear and appropriate arrangements for safety and quality governance are in place.

- 6.1.7 The Committee's duties are designed to ensure that there is ongoing development and delivery of arrangements in relation to safety and quality. Monitor uses the following safety and quality related performance measures when assessing the annual and quarterly governance risk ratings:
- (i) clinical quality: Boards of Directors shall be satisfied, and certify to Monitor, that they have effective measures and arrangements in place to monitor and continually improve the quality of healthcare it provides; and
 - (ii) service performance (healthcare targets and standards): Boards of Directors shall confirm that plans are in place to ensure that priority targets and standards will be met continually.

6.2 Quality accounts

- 6.2.1 Quality accounts have been introduced to increase accountability to the public for quality. This requires Boards of Directors to provide a clear narrative explaining the quality of care they offer and how they seek to improve, taking account of the views of the local community. The Committee's work plan and standing agenda shall be designed to ensure that the Board of Directors have adequate assurance over the data being reported.
- 6.2.2 As an applicant for NHS foundation trust status, SASH shall prepare its quality account in line with Monitor's annual reporting guidance. This shall include a set of Board statements of assurance on the accuracy of reporting quality standards and targets. The Committee shall provide the Board of Directors with these assurances as part of its standing agenda.

Safety and Quality Committee: Terms of Reference

1. Background

- 1.1 The Safety and Quality Committee (“the Committee”) is constituted as a standing committee of the Board of Directors. These terms of reference can only be amended by the Board of Directors.
- 1.2 The purpose of the Committee is to assist the Board of Directors in monitoring the overall development and delivery of the Trust’s Safety and Quality Strategy.

2. Authority

- 2.1 The Board of Directors has delegated to the Committee the authority to deal with the matters set out in paragraph 6 below.
- 2.2 The Committee is authorised by the Board of Directors to seek any information it requires from any employee of the Trust in order to perform its duties.
- 2.3 In connection with its duties, the Committee is authorised by the Board of Directors, at the Trust’s expense:
 - (i) to obtain any outside legal or other professional advice; and/or
 - (ii) within any budgetary restraints imposed by the Board of Directors, to appoint consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

3. Membership and Attendance

- 3.1 The members of the Committee shall be:
 - (i) three non-executive directors appointed by the Board of Directors;
 - (ii) Chief Executive;
 - (iii) Medical Director;
 - (iv) Chief Nurse;
 - (v) [insert job title of Executive Director]; and
 - (vi) Chief Financial Officer.
- 3.2 Members of the Board of Directors not specified in paragraph 3.1 above shall have the right of attendance. The Secretary shall circulate minutes of meetings of the Safety and Quality Committee to all members of the Board of Directors.
- 3.3 The Chairman of the Committee shall be a non-executive director appointed by the Board of Directors.
- 3.4 The following individuals are required to attend part or all of the meetings as required by the Chairman of the Committee but shall have no voting rights:
 - (i) Chiefs of Service;
 - (ii) Clinical Lead for Patient Safety;
 - (iii) Lead Nurse for Patient Safety;
 - (iv) Director of Informatics, Estates and Facilities;
 - (v) Medico-Legal Services Manager;

- (vi) a senior representative from the HR Directorate;
- (vii) Patient Representative;
- (viii) Divisional Chief Nurses;
- (ix) any other clinicians, nursing and midwifery staff and allied health professionals as appropriate to the business of the meeting concerned; and
- (x) Head of Integrated Governance.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be three, which shall include one non-executive director.
- 4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.3 In the absence of the Committee Chairman and/or an appointed Deputy, the remaining non-executive members present shall elect one of themselves to chair the meeting.
- 4.4 Where a Committee meeting:
 - (i) is not quorate under paragraph 4.1 within one half hour from the time appointed for the meeting; or
 - (ii) becomes inquorate during the course of the meeting,the Committee members present may determine to adjourn the meeting to such time, place and date as may be determined by the members present.

5. Meetings

- 5.1 The Committee shall meet monthly and at such other times as the Chairman of the Committee shall require.
- 5.2 [insert job title] – or their nominee shall act as the Secretary of the Committee.
- 5.3 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chairman and the Chief Executive.
- 5.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than ten days before the date of the meeting.
- 5.5 Supporting papers shall be sent to Committee members and to other attendees, as appropriate five days ahead of the date of the meeting.

6. Duties

The Committee shall support the Board of Directors by:

1. overseeing the ongoing development and delivery of the Trust's Safety and Quality Strategy, including the agreed top three safety and quality priorities for the Trust, by receiving a performance report relative to quality goals at each meeting. This report shall contain information such as staff and patient satisfaction indicators, mortality rates and training attendance;
2. ensuring that the Trust's overall strategy and strategic business plan is driven by its Safety and Quality strategy;
3. ensuring feedback from patients, users and other stakeholders is used to inform the Trust's Safety and Quality Strategy;
4. ensuring that the Trust has appropriate arrangements in place to deliver the highest standards of quality governance, including clear roles and accountabilities;
5. advising it of potential and actual risks to safety and quality through:
 - (i) taking assurance from the Chairmen of the Divisional and Specialty Safety Committees on the true state of safety and quality in their respective clinical areas;
 - (ii) considering reports from the Chiefs of Service which use an agreed safety and quality dataset that identifies areas of good and poor performance; and
 - (iii) if it considers it either desirable or necessary, the commissioning of independent experts to review any potential areas of concern with respect to safety and quality;
6. promoting a safety and quality focused culture throughout the Trust;
7. ensuring the provision of appropriate safety and quality information;
8. advising on all aspects of safety and quality and providing assurance that Trust policies reflect latest guidance and legislation;
9. ensuring that there are clearly defined, well understood processes for escalating safety and quality issues and managing performance, including through whistleblowing procedures and the Patient Representative;
10. requiring all investigations into Serious Untoward Incidents (SUIs) to be conducted in an effective and timely manner and that their recommendations are acted upon;
11. requiring a six-monthly report from the Trust's Transformation Programme Board (which reports to the Management Board) on the safety and quality impact of the efficiency and other programmes overseen by them and advise the Board of Directors accordingly;
12. receiving periodic and exception reports from the following committees of the Management Board and bringing to the attention of the Board of Directors any issues that it considers appropriate:
 - (i) Infection Prevention and Control and Antibiotics Stewardship Committee;
 - (ii) Safeguarding Children Committee;
 - (iii) Safeguarding Vulnerable Adults Committee;

- (iv) Radiation Safety Committee (check requirements);
 - (v) Drugs and Therapeutics Committee;
 - (vi) Health and Safety Committee;
 - (vii) Management Board Quality and Risk; and
 - (viii) Information Governance Steering Group.
13. ensuring that all recommendations of the National Institute for Health and Clinical Excellence (NICE), National Confidential Enquiry into Patient Outcome and Death (NCEPOD), National Service Frameworks and other national groups are considered and, if appropriate, implemented;
 14. ensuring that the Trust considers and acts upon all national safety alerts;
 15. receiving information on trends and themes from clinical negligence claims, incident reporting and complaints. Indicators around these metrics shall be included in the monthly Performance Report. The Committee shall also ensure that identified risks are considered and included in Corporate and Divisional risk registers;
 16. reviewing the Trust's compliance with the Care Quality Commission's registration standards, the frequency of which shall be determined by the Committee. It shall do so through considering reports from the Medical Director on any lapses or problems in compliance with registration standards and ensuring that these are rectified;
 17. at the time of its application for NHS foundation trust status to Monitor, advising the Board of Directors on whether it should sign the self-certification on quality governance, supported by a board memorandum and direct evidence;
 18. overseeing the implementation of any action plans arising from reviews or investigations into safety and quality by healthcare regulators, inspectorates or accrediting bodies; and
 19. providing assurance that appropriate occupational health arrangements for staff are in place and that satisfactory arrangements are in place with respect to health and safety in relation to the Trust's estate through compliance with industry standards and the implementation of effective internal controls around the health and safety of staff.

6. Reporting arrangements

- 6.1 The Committee Chairman shall report formally to the Board of Directors on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board of Directors and/or Management Board that it deems appropriate on any area within its remit where action or improvement is needed. In particular, the Committee shall refer any substantive issues or concerns on delivery of the Safety and Quality Strategy to the Management Board for executive action or to the Board of Directors for wider consideration in light of its overall responsibility for ensuring the safety and quality of services provided by the Trust.
- 6.3 The Committee shall prepare an annual report on the implementation of the Trust's Safety and Quality Strategy and on related priorities (a quality account) which shall

either form part of the Trust's annual accounts and report or be published separately.

7. Review

The Committee shall, at least once a year, review its own performance, membership and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board of Directors for approval.

Date of approval by SASH Board of Directors: [insert date] 2011

Safety and Quality Committee: Standing Agenda

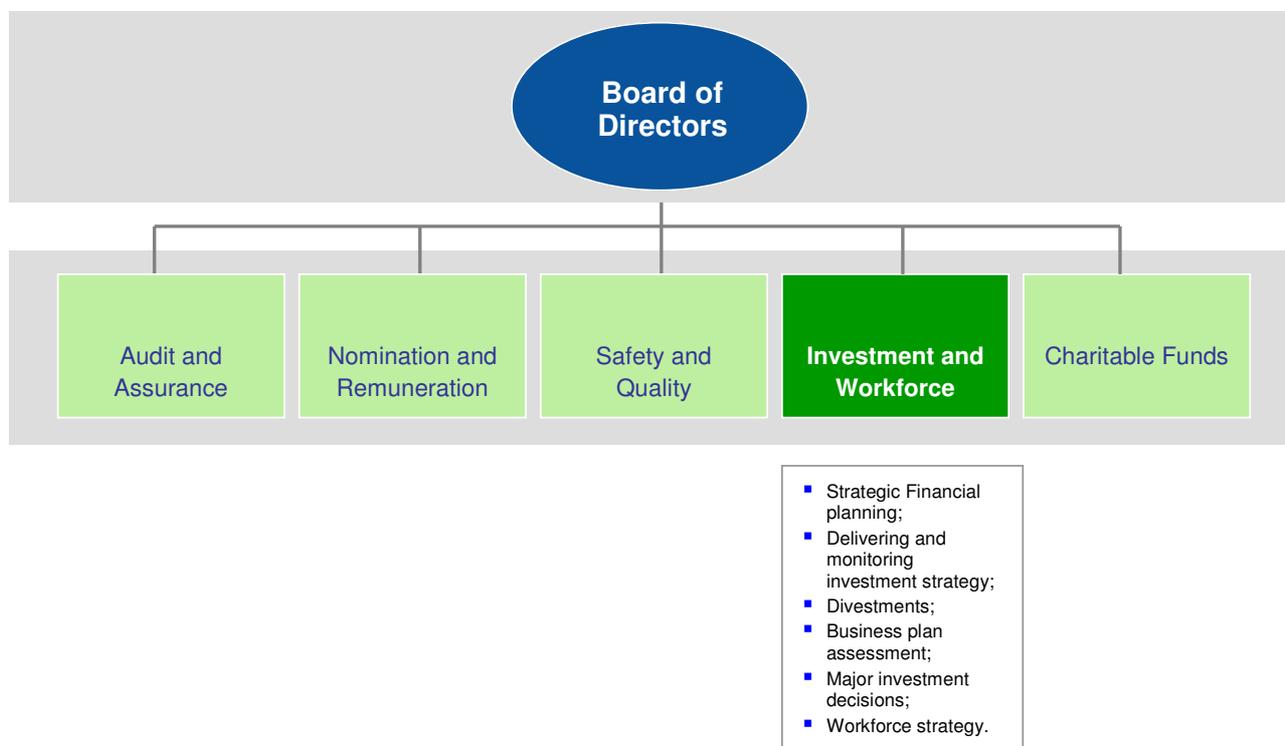
1	General Business
	Apologies
	Declaration of interests
	Minutes of previous meeting
	Agreed actions tracker
2	Safety and Quality
	Reports from Divisional Safety and Quality Committees (including update on Serious Incidents reported)
	SASH Safety and Quality scorecard
	Report on ongoing compliance with CQC registration criteria
	Recommendations from NICE, NCEPOD and NSFs (if any)
	National Safety Alerts (if any)
	Health and Safety
3	Patient Experience
4	General
	Issues to report to the Board of Directors
	Date of next meeting
	Any other business

Safety and Quality Committee: Meeting Timetable

The Committee shall meet monthly. The meetings shall receive reports in a sequence that allows the Committee to review annual reports with foresight of relevant other assurance reports. An indicative programme of business is set out below:

Safety and Quality Committee	All meetings	Quarterly	Bi-annually	Annually
1. Monitor the ongoing development and delivery of the Trust's Safety and Quality Strategy	✓			
2. Review feedback to ensure this informs the Trust's Safety and Quality Strategy				✓
3. Review to ensure that effective use of safety and quality information	✓			
4. Update Trust policy to reflect latest guidance and legislation	✓			
5. Review processes for escalating safety and quality issues	✓			
6. Review processes for managing performance	✓			
7. Review progress of implementing recommendations from investigations into Serious Incidents	✓			
8. Review six monthly report from Transformation Programme Board on safety and quality impact of CIPs			✓	
9. Review accountable committee annual reports	✓			
10. Consider recommendations from NICE, NCEPOD and National Service Frameworks	✓			
11. Consider national safety alerts	✓			
12. Review compliance with CQC registration standards	✓			
Health and Safety				
13. Review compliance with industry Health and Safety standards	✓			
Quality accounts and Annual Plan				
14. Review the Integrated Business Plan / Annual Plan from a safety and quality perspective				✓
15. Submit details of system issues to the Audit and Assurance Committee Chairman	✓			
16. Review the quality account				✓

Chapter 7 Investment and Workforce Committee



7.1 Summary purpose and authority

7.1.1 The purpose of the Investment and Workforce Committee is to provide oversight of the Trust's financial and investment policies, and oversee long-term capital investment and financial sustainability. The Committee is responsible for the following key areas:

- strategic financial and workforce planning;
- approving investment decisions; and
- monitoring delivery of significant projects and investments, and any potential business combinations.

7.1.2 The Committee supports the Board of Directors in presenting a balanced and understandable assessment of all public statements and financial reports to regulators and inspectors, as well as information required to be presented in accordance with statutory requirements.

7.1.3 The Committee provides oversight of the Board of Directors' financial policies, management and reporting with consideration to the overall financial performance of the Trust by ensuring the development and implementation of effective financial controls into operational management of the Trust and assurance that financial plans are disseminated and understood across the Trust. One of the Committee members shall be a member of the Audit and Assurance Committee, who shall ensure that the Committee is fully apprised of the assurance received by the Audit and Assurance Committee in the course of its annual work programme.

- 7.1.4 The Committee is responsible for the review and approval of the treasury management policy, working capital policy and investment strategy to ensure the overall security of resources and best return on investment. The Committee shall ensure sufficient liquidity to meet the Trust's current commitments and planned capital expenditure.
- 7.1.5 The Committee shall scrutinise and challenge significant capital expenditure and major projects in line with the thresholds detailed within its terms of reference, which reflect the Scheme of Delegation, to ensure the most effective use of resources and manage costs. A framework for such challenge is set out as Appendix 4 to these Rules of Procedure. The Committee shall receive reports from the Investment and Prioritisation Group, which reports to the Management Board, and which shall approve and monitor lower value projects.
- 7.1.6 The Trust is committed to becoming an exemplary body with a focus on its people, specifically, staff development and employee satisfaction. The Committee shall scrutinise and review strategic workforce plans with a focus on achieving the right resource and skill level mix in line with budgeted staff costs. The Committee shall focus on staff development through overseeing the integration of a comprehensive performance appraisal system and the development and implementation of an education and people strategy which aims to achieve sustained levels of staff job satisfaction and retention. The Committee shall receive bi-monthly reports from the Director of Human Resources.

7.2 Impact on foundation trust application

In order to attain NHS foundation trust status, the Trust will need to ensure that clear effective financial controls are in place. The Trust shall ensure policies and financial systems are in line with best practice as issued by Monitor prior to making an application, and shall have regard to the following publications:

- (i) *Best Practice in Treasury Management for NHS Foundation Trusts*, June 2005;
- (ii) *Risk Evaluation for Investment Decisions by NHS Foundation Trusts*, February 2006; and
- (iii) *Compliance Framework 2010-11*, March 2010 and subsequent amendments of July 2010.

Investment and Workforce Committee: Terms of Reference

1. Background

- 1.1 The Investment and Workforce Committee (“the Committee”) is a standing Committee of the Board of Directors. These terms of reference can only be amended by the Board of Directors.
- 1.2 The purpose of the Committee is to assist the Board of Directors in exercising its financial and workforce governance procedures in three key areas:
 - (i) financial and workforce performance;
 - (ii) overseeing and approving investment decisions as defined in these terms of reference; and
 - (iii) monitoring project delivery.

2. Authority

- 2.1 The Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. The Committee is authorised by the Board of Directors to seek any information it requires from any employee of the Trust in order to perform its duties.
- 2.2 In connection with its duties, the Committee is authorised by the Board of Directors, at the Trust’s expense, within any budgetary restraints imposed by the Board of Directors, to appoint external professional advisors, and to commission or purchase any relevant reports, surveys or information which it deems necessary to fulfil its duties.

3. Membership and Attendance

- 3.1 The members of the Committee shall be appointed by the Board of Directors.
- 3.2 The members of the Committee shall be:
 - (i) three non-executive directors, one of whom shall be appointed as Chairman of the Committee; another of whom shall be a member of the Audit and Assurance Committee;
 - (ii) Chief Executive; and
 - (iii) Chief Financial Officer.
- 3.3 The following shall be invited to attend meetings as and when appropriate but shall have no voting rights:
 - (i) Director of Human Resources
 - (ii) Director of Informatics, Estates and Facilities;
 - (iii) Medical Director;
 - (iv) Chief Nurse;
 - (v) all other corporate members of the Management Board; and
 - (vi) all other non-executives and executive members of the Board of Directors.
- 3.4 The Committee may invite other Trust staff to attend its meetings as appropriate.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be three, which shall include one non-executive director.
- 4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.3 In the absence of the Committee Chairman and/or an appointed Deputy, the remaining non-executive members present shall elect one of themselves to chair the meeting.
- 4.4 Where a Committee meeting:
- (i) is not quorate under paragraph 4.1 within one half hour from the time appointed for the meeting; or
 - (ii) becomes inquorate during the course of the meeting,
- the Committee members present may determine to adjourn the meeting to such time, place and date as may be determined by the members present.

5. Meetings

- 5.1 The Committee shall meet bi-monthly and at such other times as the Chairman of the Committee shall require.
- 5.2 The Chief Financial Officer or their nominee shall act as the Secretary of the Committee.
- 5.3 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman and/or Chief Executive.
- 5.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five days before the date of the meeting.
- 5.5 Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 5.6 Minutes of the Committee shall be circulated to Committee members and attendees, and the Board of Directors.

6. Duties

6.1 Financial policy, management and reporting

The Committee shall provide oversight of the Board of Directors' financial policies, management and reporting with consideration to the overall financial performance of the Trust by ensuring the development and implementation of high levels of financial control are embedded into operational management of the Trust and financial plans are disseminated and understood across the Trust. In doing so, the Committee shall approve:

- (i) the financial policies of the Trust annually and make appropriate recommendations to the Board of Directors;

- (ii) the Trust's medium and long-term financial strategy, in relation to both revenue and capital, including overseeing the development of financial plans for the Trust's foundation trust application;
- (iii) the Trust's annual financial targets; and
- (iv) the preparation of the annual budget prior to its submission to the Board of Directors.

6.2 Investment policy, management and reporting

The Committee shall:

1. approve and review, on behalf of the Board of Directors, the Trust's investment strategy and policy and maintain oversight of the Trust's investments, ensuring compliance with the policy. The Committee shall:
 - (i) establish the overall methodology, processes and controls which govern investments;
 - (ii) ensure that robust processes are followed; and
 - (iii) evaluate, scrutinise and monitor investments;
2. approve and review the Trust's treasury management and working capital policy annually or as required;
3. approve proposals for major business cases with a capital value of over £1m or which require a revenue budget virement of over £1m. The Committee shall monitor the work of the Investment and Prioritisation Group, which reports to the Management Board, for lower value investments;
4. review the annual capital plan and monitor progress against highlight reports and the project plan;
5. approve the initiation of projects greater than £1m on the information provided in the Project Initiation Document and Project Plan and other key project documents;
6. monitor implementation of major projects (>£5m). This shall include:
 - (i) developing sub-groups as needed and approving their terms of reference;
 - (i) assisting in the evaluation of the bids at each stage or identifying the expert advice needed;
 - (ii) giving approval to the Project Director to start each necessary stage of work upon completion of the necessary tasks from the previous stages;
 - (iii) approving major alterations in the project plan;
 - (iv) ensuring key areas are communicated across all stakeholder organisations;
 - (v) ensuring the project is appropriately evaluated;
 - (vi) ensuring propriety in placing and management of contracts; and
 - (vii) ensuring risk assessment and management strategies are in place.

6.3 Estates strategy

The Committee shall review the financial aspects of the estates strategy.

6.4 Workforce strategy

The Committee shall provide oversight of the Board of Directors' workforce strategy, management and reporting with consideration to the overall flexibility of resources, total staff costs and staff development.

6.5 Other duties

The Committee shall:

1. make any arrangements necessary to ensure that all members of the Board of Directors maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust;
2. examine any other matter referred to the Committee by the Board of Directors; and
3. review performance indicators relevant to the remit of the Committee.

6.6 External advice

The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external professional advisors who advise the Committee in the course of its work. Where external professional advisors are appointed, a statement shall be made available of whether they have any other connection with the Trust.

7. Reporting arrangements

- 7.1 The Committee Chairman shall report formally to the Board of Directors on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board of Directors and/or Management Board that it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall produce an annual report of the Trust's financial, investment, project, procurement, and estates policies and practices which shall form part of the Trust's annual report.

8. Review

The Committee shall, at least once a year, review its own performance, membership and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board of Directors for approval.

Date of approval by SASH Board of Directors: [insert date] 2011

Investment and Workforce Committee: Standing Agenda

1 General Business

- Apologies
- Declaration of interests
- Minutes of previous meeting
- Agreed actions tracker
- Financial policy, management and reporting

2 Investment

- Investment policy and strategy review
- Proposals for major business cases

3 Projects

- Progress of capital projects
- Proposals for new projects

4 Workforce

- Report from Director of Human Resources

5 General

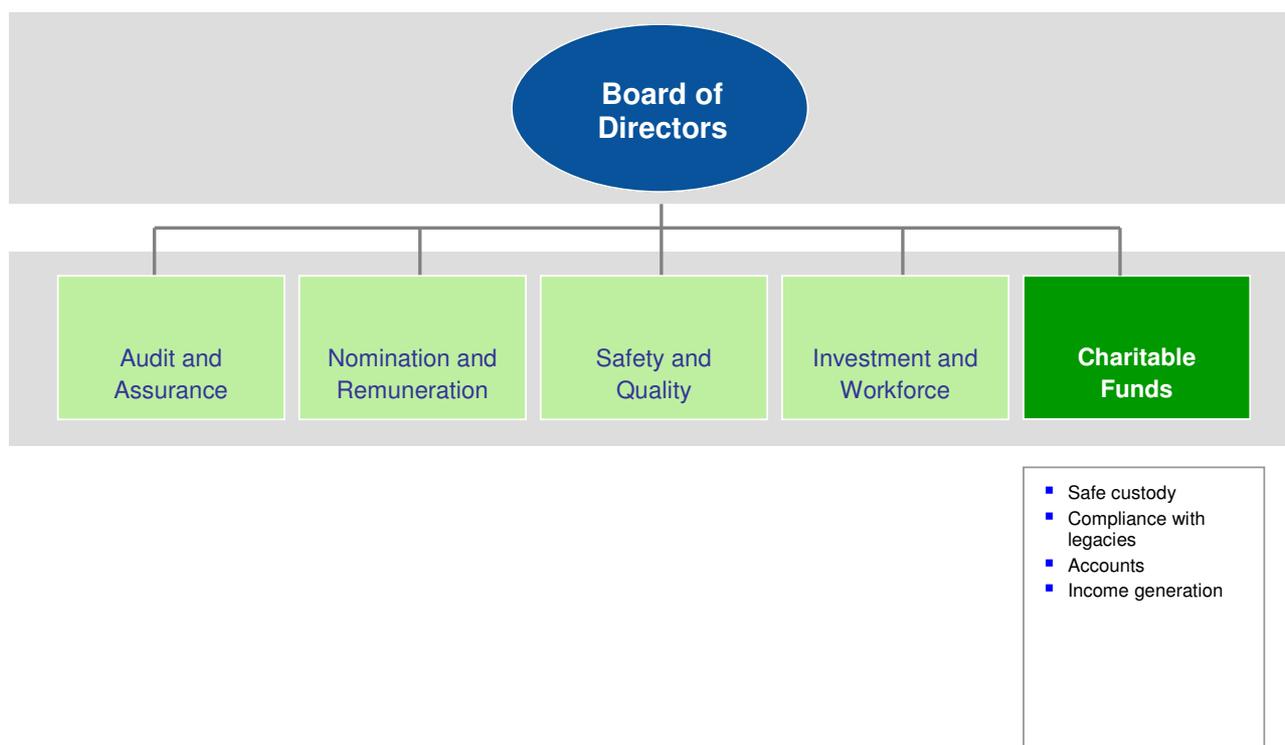
- Issues to report to the Board of Directors
- Any other business
- Date of next meeting

Investment and Workforce Committee: Meeting Timetable

The Committee shall meet bi-monthly. The meeting agendas shall reflect the receipt of reports in a sequence that allows the Committee to review reports before they are due to the Board of Directors for final approval.

Investment and Workforce Committee	Jan	March	May	July	Sept	Nov
Financial policy, management and reporting						
1. Draft budget	✓					
2. Final budget		✓				
3. Financial plan		✓				
4. Approve financial policies on an annual basis	✓					
5. Approve the medium-term financial strategy	✓					
6. Approve the long-term financial strategy	✓					
7. Approve the Trust's annual financial targets	✓					
8. Approve the preparation of the annual budget	✓					
9. Draft financial planning documents						✓
Investment policy, management and reporting						
10. Approve and review the investment strategy and policy	✓			✓		
11. Monitor investments and ensure compliance with the policy			AS REQUIRED			
12. Approve and review the treasury management policy annually	✓			✓		
13. Approve and review the working capital policy	✓			✓		
14. Approve proposals for major business cases	✓	✓	✓	✓	✓	✓
15. Monitor the annual capital plan and against the project plan	✓	✓	✓	✓	✓	✓
16. Approve the initiation of projects greater than £1m	✓	✓	✓	✓	✓	✓
17. Monitor guidance of major projects (>£5m)	✓	✓	✓	✓	✓	✓
Estates strategy						
18. Review the financial aspects of the estates policy		✓	✓		✓	✓

Chapter 8 Charitable Funds Group



1 Strategic Statement

To oversee the generation, management, investment and disbursement of charitable funds within the regulations provided by the Charities Commission and to ensure compliance with the laws governing charitable funds.

2 Constitution

The Charitable Funds Committee is established under the direction of the Trust Board (as stated in Standing Order 4.8 (3)).

The Surrey and Sussex Healthcare NHS Trust is the Corporate Trustee of the Charity governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Acts 1993 and 2006.

The NHS Trust Board has devolved responsibility for the on-going management of funds to the Charitable Funds Committee, which administers the funds on behalf of the Corporate Trustee. As such the Committee acts independently of the Board.

Members of the Committee are not individual trustees under charity law but act as agents on behalf of the Corporate Trustee.

Charity Registration number: 1054072

3 Relationships

Board upwards for information only. No sub committees.

4 Membership

The Committee shall be chaired by a Non-Executive Director and the membership shall include at least three Executive Directors, one of which shall be the Director of Finance.

Agreed membership is as follows:

Trust Chair (Chair) – (if for any reason the Chair is unable to attend they will nominate another member to chair the meeting)

2 x Non Executive Directors

Director of Finance and Contracting (DoF&C)

Director of Environment & Facilities (links to patient & public involvement)

Director of Nursing, Governance & Quality (links to patient experience)

Chief Financial Accountant

5 Attendance

- A quorum shall be no fewer than 4 members present.

6 Administration

- An agenda shall be available prior to each meeting and allow for additional items under General Business to be added to at the commencement of each meeting
- Minutes will be taken by the DoF&C EA.
- Responsibility for the running of the meetings and their organisation sits with the Chief Financial Accountant, with resource provided from the DoF&C EA.

Review

- Review Date July 2011

7 Frequency

- The Charitable Funds Committee shall meet at least three times a year.
- 1 hour meetings, dates and times advertised in advance
- Notification of changes will be made available to all members in advance by the Chair

8 Authority

The Group is autonomous and acts independently of the Trust Board but shall report to the Board for information (please see constitution).

The Committee delegates authority as follows:

- For authorising spend above £2,000: the Director of Finance & Contracting and the Chair of the Committee

- For establishing new funds: The Director of Finance & Contracting should authorise new funds subject to published procedures.
- For day to day management and administrative functions, including changes to Fund Managers: The Chief Financial Accountant subject to published procedures.

9 Core Duties

1. Safe Custody

- To authorise expenditure where an individual item has a value of more than £2,000 in line with the Trust's Scheme of Delegation.

Note on delegated authority: Amounts below £2,000 can be approved by Fund Managers, above £2,000 they must be authorised by the Director Of Finance & Contracting and the Chair of the Committee and reported to the Committee.

- To review the income and expenditure transactions for all funds.
- To ensure that policies and procedures are in place to meet the requirements of the Charities Commission and the laws governing charitable funds.

2. Compliance

- To act on behalf of the Trust (as Trustee) in satisfying the duties and responsibilities of trustees in managing the funds.

Note on delegated authority: for day to day management and administrative functions, including changes to Fund Managers: The Chief Financial Accountant is the authorised decision maker, subject to published procedures.

- To authorise/agree the establishment of new funds and new charities

Note on delegated authority: The Director of Finance & Contracting should authorise new funds subject to published procedures.

- To review legacies received and ensure that the Trust complies with the terms of the legacy

3. Investments & fund raising

- To oversee the investment strategy of the Charitable Funds as required by the Trustee Investment Act 1961 and the NHS Acts
- Consider future charitable campaigns including the nature of events and objectives

4. Accounts and similar requirements

- The Chair of the Committee and Director of Finance & Contracting will sign off the annual return and the annual accounts in line with the requirements of the Charities Commission and the laws governing charitable funds. The Committee will adopt the accounts and annual report.
- The Annual Report will be the formal report to the Trustee (the Trust)

describing the status of the charity.

5. Income generation

- To consider generation of funds to increase income.

6. Other functions

- To consider matters requested by the Trust Board.

Chapter 9 Management Board

MANAGEMENT BOARD			
Strategy	Safety and Quality	Finance and Performance	Divisional
<ul style="list-style-type: none"> Progress against the Transformation Programme Horizon scanning Policy Interpretation Strategy Development 	<ul style="list-style-type: none"> Divisional Governance reports Review of Corporate risks Regulatory Compliance Patient Experience Health and Safety 	<ul style="list-style-type: none"> Performance reports Financial reports Business plans 	<ul style="list-style-type: none"> Current Divisional issues Divisional Development plans
DIVISIONAL BOARD MEETINGS			
<ul style="list-style-type: none"> Week 1 – Governance Week 2 – Workforce Development Week 3 – Performance Week 4 – General Discussion (Strategy, Innovation, External Links, Winter Planning etc.) Quarterly Divisional “Deep Dive” Governance meeting 			

8.1 Management Board: summary purpose and authority

- 8.1.1 The Management Board supports the Chief Executive and its members (including the other Executive Directors) to deliver the Trust’s corporate objectives through implementing a sound system of internal control and driving forward an agenda to deliver them.
- 8.1.2 The Management Board shall establish standing agenda items (for example, a review of the minutes of the Investment and Prioritisation Group) which link to the strategic objectives as outlined in the Board Assurance Framework and dashboard outcomes. Additional agenda items shall be included each fortnight as appropriate.
- 8.1.3 Executive directors shall be engaged as members of both the Safety and Quality Committee and the Investment and Workforce Committee as set out in their respective terms of reference. They shall also be invited to attend meetings of the Audit and Assurance Committee.

8.2 Divisional Management Board: summary purpose and authority

- 8.2.1 The appointment of the Chiefs represents a conscious move to reflect the clinical leadership of the hospital and the day-to-day working reality that it is their decisions which have the biggest impact on patient safety and care and use of resources.
- 8.2.2 The Chiefs of Clinical Divisions shall in turn establish and chair Divisional Management Boards that shall play an important role in local risk management through oversight and review of local risk registers and performance through review of local KPI performance. These Divisional Management Boards shall ensure local accountability for performance and risk management.

Management Board: Terms of Reference

1. Membership and attendance

- 1.1 The members of the Management Board shall be:
- Chief Executive (Chairman)
 - Medical Director
 - Chief Nurse
 - Chief Operating Officer
 - Director of Human Resources
 - Director of Informatics, Estates and Facilities
 - Director of Strategy and Transformation
 - Director of Communications
 - Chief Financial Officer
 - Chiefs of Service
 - Assistant Directors of Clinical Services
 - Divisional Chief Nurses
 - Clinical Lead – Patient Safety (Quality and Risk only)
 - Head of Integrated Governance (Quality and Risk only)
 - Deputy Director of Finance (Performance only).
- 1.2 The Chairman of the Management Board shall be the Chief Executive.
- 1.3 In the absence of the Chief Executive, the [insert title of Executive Director] shall chair the meeting. If he is also absent, the Medical Director shall chair the meeting.
- 1.4 If a Management Board member is unable to attend a meeting, they shall send their apologies in advance to the Secretary and, if they consider it necessary, arrange for no more than one deputy to attend in their absence.
- 1.5 Members of the Management Board are expected to attend at least two-thirds of the number of meetings in any given financial year. An annual attendance record shall be prepared by the Secretary and any issues concerning poor attendance of a Management Board member shall be considered by the Chief Executive and acted on as appropriate.

2. Secretary of the Management Board

- 2.1 The [insert job title] or their nominee shall act as the Secretary of the Management Board (“the Secretary”).
- 2.2 The Secretary shall prepare and agree with the Management Board a timetable of reporting arrangements and commission the necessary work to support its agenda over an annual cycle.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be one third of the membership of the Management Board. For the avoidance of doubt, the attendance of any deputies shall not count towards a quorum.

3.2 A duly convened meeting of the Management Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Management Board.

3.3 Where a Management Board meeting:

- (i) is not quorate under paragraph 3.1 within one half hour from the time appointed for the meeting; or
- (ii) becomes inquorate during the course of the meeting,

the Management Board members present may determine to adjourn the meeting to such time, place and date as may be determined by the members present.

4. Meetings

The Management Board shall meet weekly and at such other times as the Chief Executive shall require.

Week 1 – Strategy

Week 2 – Quality and Risk

Week 3 – Performance and Finance

Week 4 – Each Division will, in turn, chair the Management Board, presenting relevant agenda that summarises and reflects current divisional issues and development plans. As governance is covered in regular alternative meetings, it is anticipated that only significant exceptions and /or new concerns will be presented at this meeting.

Where there are five Wednesdays in a month, there will be no fifth meeting, the released time being used flexibly by the divisional teams, e.g. for training purposes.

5. Notice of meetings

5.1 Meetings of the Management Board shall be summoned by the Secretary at the request of the Chief Executive.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Management Board no later than two days before the date of the meeting. Supporting papers shall be sent to Management Board members and to other attendees, as appropriate, at the same time.

6. Decisions of the Management Board

6.1 Decisions of the Management Board shall normally be made by agreement rather than by formal vote. Failing such agreement, decisions shall be reached by means of a vote when:

- (i) the Chairman presiding at the meeting feels that there is a body of opinion among members of the Management Board at the meeting who disagree with a proposal or have expressed reservations about it; or

- (ii) when a member of the Management Board who is present requests a vote to be taken; or
- (iii) any other circumstances in which the Chairman presiding at the meeting considers that a vote shall be taken.

6.2 Where a decision of the Management Board requires to be voted upon it shall be determined by a majority of the votes of the members of the Management Board present and voting on the question. The Chairman presiding at the meeting shall declare whether or not a resolution has been carried or otherwise.

6.3 In the case of an equality of votes, the Chief Executive, or, in his absence, the member of the Management Board presiding, shall have a second casting vote.

6.4 The minutes of the meeting shall record only the numerical results of a vote, showing the numbers for and against the proposal and noting any abstentions. The minutes shall be conclusive evidence of the outcome. Votes shall not normally be attributed to any individual member of the Management Board, but any member may require that their particular vote be recorded provided that he asks the Chairman presiding immediately after the item is concluded.

6.5 The Management Board may agree to defer a decision on an agenda item so that it can be provided with additional information or for any other reason. The decision to defer, together with the reasons for doing so, shall be recorded in the minutes of the meeting together with a proposed time for returning the matter to the Management Board for its consideration.

7. Minutes of meetings

7.1 The Secretary shall record the minutes of every meeting.

7.2 The Secretary shall submit the draft minutes to the Management Board in advance of its next meeting for agreement, confirmation or otherwise.

7.3 The record of the minutes shall include:

- (i) the names of:
 - (a) every member of the Management Board present at the meeting;
 - (b) any other person present; and
 - (c) any apologies tendered by an absent member of the Management Board;
- (ii) the withdrawal from a meeting of any member on account of a conflict of interest; and
- (iii) any declaration of interest.

- 7.4 Minutes of any meetings of the Management Board shall record key points of discussion. Where personnel, finance or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.
- 7.5 The minutes shall be circulated to such staff as the Chief Executive and the Secretary consider appropriate.

8. Duties

The Management Board shall:

1. consider and, if appropriate, approve the Trust's Policy for the Development and Management of Trust Policies;
2. approve policies that require its approval in accordance with the Trust's Policy for the Development and Management of Trust Policies, ensuring that they are sufficient for compliance with the regulatory and statutory requirements in force from time to time;
3. oversee the development of reliable, relevant, accessible and timely information that enables robust, evidence-based decision making at all levels of the Trust;
4. review arrangements and agree action to address variations from compliance with the regulatory and statutory regime, including contracts with commissioners;
5. identify and mitigate strategic risk, escalating risks over a defined threshold to the Board of Directors for their consideration and mitigation as it considers appropriate;
6. deliver the Trust's Safety and Quality Strategy, national outcomes framework and local Key Performance Indicators;
7. oversee sound systems of internal control;
8. oversee the following accountable executive committees through a defined programme of periodic and exception reports, which shall be at least quarterly:
 - (i) Infection Prevention and Control and Antibiotics Stewardship Committee (currently chaired by the Chief Nurse);
 - (ii) Transformation Delivery Group (chaired by the Chief Executive);
 - (iii) Health and Safety Committee (currently chaired by the Chief Nurse - TBC);
 - (vi) Drugs and Therapeutics Committee (chaired by the Chief Pharmacist);
 - (vii) Safeguarding Vulnerable Adults Committee (chaired by the Chief Nurse);
 - (viii) Safeguarding Vulnerable Children Committee (chaired by the Chief Nurse);

- (xi) Radiation Safety Committee (chaired by Associate Director of Operations - Specialised Services); and
 - (xii) Information Governance Committee (chaired by the Director of Informatics, Estates and Facilities);
9. at least annually, review and refresh the hospital's ambition and aims for agreement by the Board of Directors;
 10. review performance against the Hospital's priorities;
 11. ensure that management arrangements through the Transformation Programme and Performance Review are sufficient to identify and mitigate risks to delivery and address actual variations from plan;
 12. at least annually, translate the hospital's ambition and aims into an annual Priorities document and related plans;
 13. agree with Clinical Divisions and Corporate Directorates annual plans and how these inter-relate;
 14. understand and interpret the wider local and national context for the development and growth of the Hospital through a consistent narrative for success and growth;
 15. review and, if appropriate, approve recommendations from the Investment and Prioritisation Group on new schemes that demonstrably fit with the Hospital's aims and resources; and
 16. agree which issues shall be prioritised for communication to staff, patients and the public. Each member of the Management Board is responsible for timely and effective briefing of all staff in their area of responsibility.

9. Conflicts of interest

Management Board members shall comply with the SASH Code of Conduct.

10. Reporting responsibilities

The Chief Executive shall determine and communicate to the Chairman of the Board of Directors how the business of the Management Board shall be reported to the Board of Directors and/or its Committees, which, as a minimum, shall include periodic reports on the delivery of an agreed set of corporate objectives set out in the Trust's business plan from time to time. In the case of risk management, this shall be at least quarterly.

11. Review

The Management Board shall, at least once a year, review its own performance, membership and terms of reference to ensure it is operating at maximum effectiveness.

12. Authority

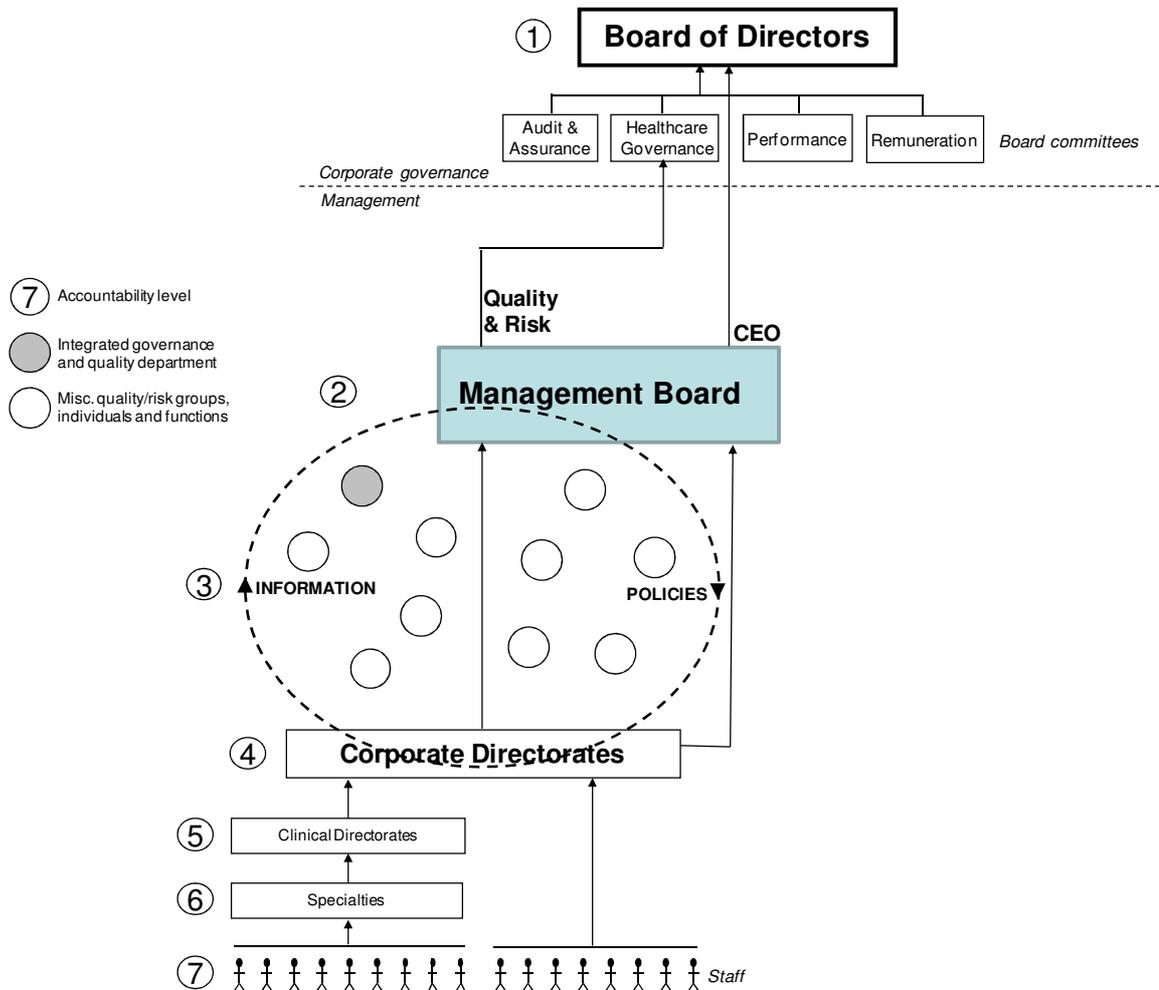
- 12.1 The Management Board has the authority to deal with the matters set out in paragraph 8 above.
- 12.2 The Management Board may seek any information it requires from any employee of the Trust in order to perform its duties.
- 12.3 In connection with its duties, the Management Board is authorised by the Board of Directors, at the Trust's expense:
- (i) to obtain any outside legal or other professional advice; and
 - (ii) within any budgetary restraints imposed by the Board of Directors, to appoint external professional advisors, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

Date of approval by SASH Management Board: [insert date] 2011

Chapter 10 Risk Management Responsibilities

10.1 Introduction –Accountability and Responsibilities for Managing Risk

Figure 1 sets out the framework of accountability for managing risk across SASH, which is operationalised within the overall context of ‘quality and risk management’ and which is operationally led by the **Chief Executive Officer (CEO)** and governed by the Board of Directors (the board). There are seven levels of accountability:



10.2 Board of Directors – Level 1

The Board of Directors is responsible for *governing* the management of risk within SASH. The Board exercises oversight of risk management through its *Healthcare Governance Committee* to ensure, through holding management to account for quality and risk management matters, that Key Performance Indicators set out in section 11 of this policy are being met. In addition, the Board of Directors annually reviews and signs off the commitment to Health and Safety Statement of Intent.

10.3 CEO and Management Board (Quality and Risk) – Level 2

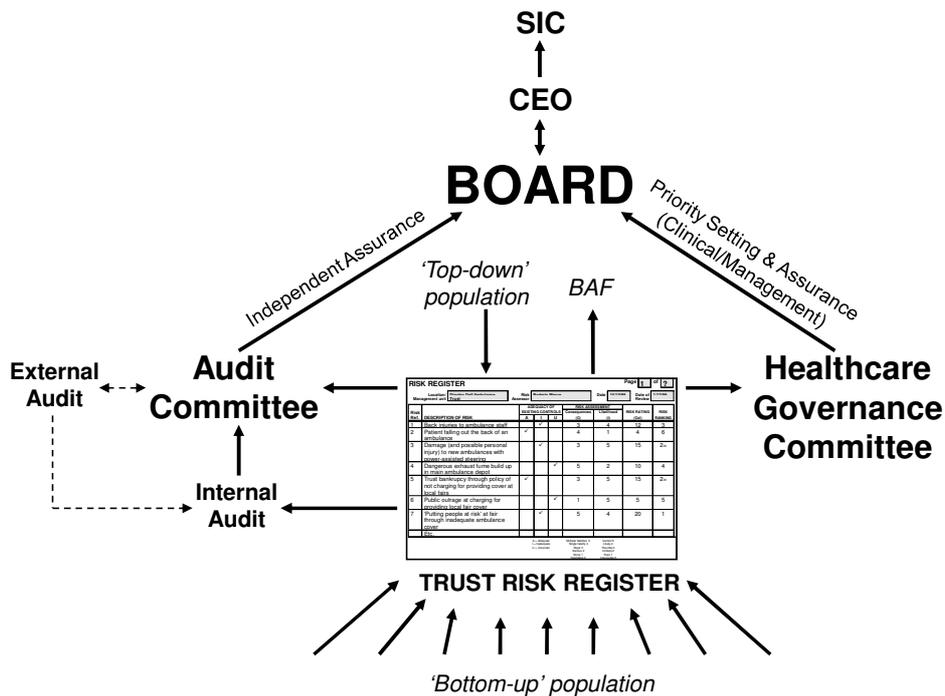
As ‘Accountable Officer’ the CEO is accountable to Parliament as well as to the Board of Directors. The CEO is responsible for maintaining a *sound system of internal control*, which includes effective arrangements for risk management. Each year, the CEO has to sign, on behalf of the Trust Board, a *Statement on Internal Control* that provides an assurance that risk management, control and review

processes are in place and their effectiveness has been reviewed. The CEO is supported by the Management Board, which meets to review quality and risk matters monthly. The purpose of the Management Board (MB) is to ensure that the organization is safely and effectively managed on a day to day basis. The MB sets appropriate frameworks and policies and procedures to support delivery of the organisational objectives, including risk management. The MB is the most senior body concerned with the day to day management of risk across the trust. The MB is responsible for ratifying the risk management policy and related policies; for allocating resources at corporate management level to ensure effective management of risk; for dealing with conflicts; for holding directorates to account for monitoring the management of risk across the Trust; and for providing assurances to the board's Healthcare Governance Committee relating to risk management performance. In addition to the CEO's ultimate accountability for managing risk across the trust, all other individual executive directors have responsibility for managing risks within their own span of responsibility.

10.4 Governing Risk

5.7.1 The role of the board

According to the FTSE Company3, "The role of boards is to govern, not to manage. It is about setting overall direction, establishing boundaries and controls, recruiting and motivating talented executives and overseeing their operation of the business." Figure 4 sets out how the management of risk is governed at SASH under the auspices of the board of directors and the board's audit and healthcare governance committees. The Healthcare Governance Committee monitors and reviews the trust risk register and generally provides assurances to the board in relation to the organisation's management of risk. The Audit and Assurance Committee is responsible for oversight of the entire system of internal control within SASH and, as part of this responsibility, will provide independent assurance to the board on the effectiveness of the organisation's system for risk management.



10.5 The Board Assurance Framework (BAF)

A key companion to the trust risk register is the Board Assurance Framework (BAF). The BAF describes the principal risks that relate to the organisation’s strategic objectives and is intended to provide assurances to the board in relation to the management of risks that threaten the ability of the organisation to achieve these objectives. The BAF provides the board with information on managing principal risks that provides assurances on the management of risk in relation to key organisational objectives. Wider consideration of the Trust risk register, through suitable reporting on significant risks to the board by the executive directors, provides the board with more comprehensive assurances on management of the totality of risk facing SASH.

10.6 The Statement on Internal Control (SIC)

A further feature of figure 5 is identification of the requirement on the CEO to sign off, on behalf of the board, an annual Statement on Internal Control (SIC). This statement is underpinned by the risk management process and, in particular, the trust risk register and BAF.

Appendix 1 SASH Code of Conduct

1. SASH aims to be an organisation where all patients and staff, whatever their background, are valued and have fair and equitable treatment. The conduct of Trust leaders plays a major part in leading by example and modelling professionalism for patients, staff and wider stakeholder communities. This Code of Conduct (“Code”) sets out the required standards.
2. This Code relates to the conduct of the Chairman, Chief Executive, members of the Board of Directors, Committee Members, Management Board members and other SASH leaders. It is intended that those to whom this Code applies shall use their best endeavours to comply with it, act in good faith and in the best interests of SASH at all times.
3. Members of the Board of Directors, Committee members and Management Board members agree to be subject to this Code of Conduct. Any member of the Board of Directors who significantly or persistently fails to adhere to these rules may be judged as failing to carry out the duties of their office. Any actions arising from this shall be a matter for consideration by the Chairman and/or Chief Executive, who shall decide on any appropriate action that should be taken.
4. The highest standards of propriety, involving integrity, impartiality and objectivity shall be maintained in relation to the stewardship of public funds and the management of SASH. Any conflict between personal interests and the discharge of public duties shall be avoided. Where this arises it shall be disclosed to the

Chairman, Chief Executive or Director of Corporate Affairs so that decisions can be made in accordance with this Code. Individuals to whom this Code applies shall not seek to use their position to inappropriately or improperly gain material benefits for themselves, their families or their friends.

5. The Board of Directors is responsible for ensuring that its members personally, and SASH corporately, observe the seven principles of public life set out by the Committee on Standards in Public Life (“the Nolan Principles”):

5.1 **selflessness**: holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or other friends;

5.2 **integrity**: holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties;

5.3 **objectivity**: in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit;

5.4 **accountability**: holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office;

5.5 **openness**: holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands;

5.6 **honesty**: holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest; and

5.7 **leadership**: holders of public office should promote and support these principles by leadership and example.

6. The Board of Directors shall comply with the SASH rules on behaviour:

Our rules:

- to lead, not blame;
- to work together, not undermine each other;
- to solve, not excuse.

People will trust us because:

- we speak well of each other;
- we consistently spend our time on what we say we care about;

- we behave well, especially when things go wrong;
- we keep our promises, small or large.

7. The Board of Directors shall take collective responsibility for the decisions made by it.

8. **Equality and Diversity**

8.1 The Trust employs and serves people from differing backgrounds and cultures and with different characteristics. This diversity is a source of richness and potential that benefits us all.

8.2 Treating everyone the same does not necessarily mean we are treating them fairly. It is our mission to provide fair and inclusive services and workplaces. We recognise our responsibility to observe equality legislation and the Trust's equal opportunities policies. This Code therefore requires that individually and collectively we:

- (i) seek to understand the perspectives put forward by our patients and staff;
- (ii) treat our patients, colleagues, employees and potential employees with respect and dignity;
- (iii) support and implement measures introduced to ensure equality of opportunity and non-discrimination;
- (iv) take action to eliminate harassment or bullying of our patients, colleagues and employees; and
- (v) take action to eliminate any form of unlawful discrimination.

8.3 SASH recognises that tension and challenge can be part of operational culture but also that good manners and respect are necessary at all times.

9. **Media and Public Relations**

A member of the Board of Directors other than the Chairman and Chief Executive shall, as far as possible, obtain the prior approval of the Chairman and Chief Executive (on the advice of the Communications Director), before responding to media enquiries with respect to SASH. Special care shall be taken about any invitation to speak publicly, including speaking to journalists. Care shall also be taken in the publication of any articles apart from those written in a personal professional capacity. In any such instance, the Chief Executive shall be informed in good time before such an article is submitted, or, in his absence, the Director of Communications, as appropriate, and in all cases views shall not be expressed that are at variance from agreed SASH policy. Neither shall any publication or public statement bring the Trust into disrepute. The Chairman, Board members, Committee members and Management Board members are not, however, restricted from access to the media in their personal non-SASH capacity, or in pursuit of a professional interest, for example, as experts. In the event of any uncertainty,

members of the Board of Directors other than the Chairman and Chief Executive shall approach the Communications Director for advice.

10. **Conflicts of interest**

10.1 Suspicion that a decision might be influenced in the hope or expectation of contractual gain with a particular firm or organisation shall be avoided. Accordingly, during their term of office no-one to whom this code applies shall seek or accept without consent any consultancy contracts, directorships or other form of employment or engagement in a healthcare sector body, without the consent of the Trust. Those to whom this Code applies are required to maximise value for money through ensuring that SASH operates in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever possible.

10.2 If a member of the Board of Directors, a Committee member or Management Board member knowingly has any interest or duty which is material and relevant or the possibility of such an interest or duty, whether direct or indirect and whether pecuniary or not, that, in the opinion of a fair-minded and informed observer would suggest a real possibility of bias in any matter that it brought up for consideration at a meeting of the Board or any committee of the Board or the Management Board, he shall disclose the nature of the interest or duty to the meeting. The declaration of interest or duty may be made at the meeting at the start of the discussion of the item to which it relates or in advance in writing to the Director of Corporate Affairs. If an interest or duty has been declared in advance of the meeting, this shall be made known by the Chairman presiding at the meeting prior to the discussion of the relevant agenda item.

In the event of the person not appreciating at the beginning of the discussion that an interest or duty exists, he shall declare such an interest as they soon as he becomes aware of it.

10.3 If a member of the Board of Directors or a Committee member or a Management Board member has acted in accordance with the provisions of paragraph 10.2 above and has fully explained the nature of their interest or duty, the members of the Board or committee or Management Board present shall decide whether and to what extent that person shall participate in the discussion and determination of the issue and this shall be recorded in the minutes and the extent to which the person concerned had access to any written papers on the matter. If it is decided that he should leave the meeting, the Chairman may first allow them to make a statement on the item under discussion.

10.4 Where the Chairman presiding at the meeting has a relevant interest then he shall advise the Board or Committee or Management Board accordingly, and with their agreement, and subject to the extent decided, participate in the discussion and the determination of the issue. This shall be recorded in the minutes and the extent to which he had access to any written papers on the matter. If it is decided that the Chairman presiding should leave the meeting because of a conflict of interest, another member or Committee member or Management Board member shall be asked to chair the discussion of the relevant agenda item.

- 10.5 SASH employees who are not members of the Board or a committee or the Management Board, but who are in attendance at a meeting of the Board or a committee or the Management Board, shall declare interests in accordance with the same procedures as for those who are members of the Board or Committee or Management Board. Where the Chairman presiding at a meeting rules that a potential conflict of interest exists, any SASH employee so concerned shall take no part in the discussion of the matter and may be asked to leave the meeting by the Chairman.
- 10.6 A member of the Board, Committee, Management Board or SASH employee shall be subject to the procedural arrangements for dealing with conflicts of interest as set out in paragraphs 10.7 to 10.15 below.
- 10.7 In the interests of transparency and accountability, members of the Board, Committee members or employees shall register those interests that might conflict with their duties.
- 10.8 The Corporate Affairs Manager shall keep this Register. Members of the Board, Committee members, Management Board members or employees shall notify him of any changes and are responsible for keeping their entry in the Register up to date. The Register shall be made publicly available on SASH's website.
- 10.9 Every year, the Corporate Affairs Manager shall confirm with members of the Board, Committee members, Management Board members and employees that their interests have been registered. He may from time to time ask them to confirm that their registered interests are up-to-date and that they have complied with these procedural arrangements.
- 10.10 It shall be confirmed in SASH's annual report that it has complied with these procedural arrangements.
- 10.11 Members of the Board, Committee members, Management Board members and employees to whom this Code applies shall register the following interests:
- (i) remunerated employment, office or profession other than with SASH;
 - (ii) other regular sources of remuneration;
 - (iii) directorships, whether remunerated or not; and
 - (iv) membership of public bodies (hospital trusts, governing bodies of universities, colleges and schools, and local authorities), trusteeships (of museums, galleries and similar bodies) and acting as an office holder or trustee for pressure groups, trade unions and voluntary or not-for-profit organisations.
- 10.12 From time to time a member of the Board, Committee member, Management Board member or employee may have or become aware of interests which do not have to be registered but which might, nonetheless, conflict with their SASH duties. As well as keeping their entry on the register up to date, they shall disclose to the Corporate Affairs Manager such interests as soon as they become aware that they may cause

a conflict, for example, on receipt of an agenda or Board meeting papers. Such interests shall be disclosed whether or not they are entered on the Register.

- 10.13 The minutes of any SASH Board, Committee or Management Board meeting shall note the disclosure of any such conflicts and subsequent withdrawals from discussions. In addition, the Corporate Affairs Manager shall keep a permanent record of all such disclosures of interests made by any member of the Board, Committee member, Management Board member or employee. In considering whether to disclose such an interest, a member of the Board, Committee member, Management Board member or employee shall ask whether, in the opinion of a fair-minded and informed observer, the interest would suggest a real possibility of conflict on that person's part.

The following questions shall act as a general guide:

1. Do they have, or recently had (i.e. within the past two years) any material business or other pecuniary relationships with a stakeholder?
2. Do they have, or recently had any other relationships with another party, the existence of which might suggest a real possibility of bias on their part?
3. Have they taken a public position that might be seen as compromising their ability to deal objectively with a matter that is relevant to SASH?
4. Whether, in the opinion of a fair-minded and informed observer, the interests of close family members would suggest a real possibility of bias on the part of the member of the Board, Committee member or employee?

- 10.14 In the event that a member of the Board, Committee member, Management Board member or employee receives a written paper on a matter on which they have a conflict of interest, they shall immediately return the paper to the Corporate Affairs Manager with an indication of the extent to which the paper has been read.

- 10.15 If a member of the Board, Committee member, Management Board member or employee becomes aware of a conflict during the course of any discussion, their interest shall be disclosed immediately and they shall, if appropriate, withdraw from the discussion and any decision relating the matter. However, in some circumstances they may, if the Board, Committee or Management Board permits, participate in such discussions as provided for elsewhere in this Code of Conduct.

11. **Gifts and Hospitality**

- 11.1 All gifts or hospitality received or given to those to whom this code applies shall be recorded in the register of gifts and hospitality maintained by the Corporate Affairs Manager, who, together with the Director of Corporate Affairs, shall keep a regular check on the register and advise the Chairman and Chief Executive accordingly in order to avoid any suggestion of actual or perceived bias towards any particular stakeholder. Gifts or hospitality amounting to a negligible sum (under £50) shall be exempt from registration.

- 11.2 In deciding whether to accept a gift or offer of hospitality, including at entertainment or sporting events, consideration shall be given as to whether acceptance can stand

up to public scrutiny. The decision to accept hospitality or a gift is a matter of judgement and personal integrity, and the advice of the Chief Executive, [insert job title] or [insert job title] may be sought. The following broad guidelines may be of assistance in assessing the relative merits of accepting an invitation:

1. event-based hospitality that presents networking opportunities with SASH stakeholders, and which might therefore inform or promote the work of, is generally acceptable;
 2. work-related hospitality from a single stakeholder is acceptable where it can clearly be seen to be of value to SASH's work and where there is no immediate commercial advantage to the party making the offer;
 3. hospitality that benefits the recipient personally shall be avoided if it is difficult to justify as being of benefit to SASH, or if there is a risk of perceived bias or malign comment. Care shall be taken that no extravagance is involved with working lunches and other social occasions.
- 11.3 All invitations to attend industry or stakeholder events shall be referred first to the Chief Executive, or in his absence, the Communications Director for advice. Care shall be taken to ensure that there is appropriate representation at events, and that those attending are properly briefed in advance.

Appendix 2 Best practice guidance

NHS National Leadership Council

The Healthy NHS Board: Principles for Good Governance, February 2010

www.nhsleadership.org.uk/

Monitor – Independent Regulator of NHS Foundation Trusts

The NHS Foundation Trust Code of Governance, March 2010

Compliance Framework 2010-11, March 2010 and July 2010 amendments

Managing Operating Cash in NHS Foundation Trusts, December 2005

Best Practice in Treasury Management for NHS Foundation Trusts, June 2005

Risk Evaluation for Investment Decisions by NHS Foundation Trusts, February 2006

www.monitor-nhsft.gov.uk/

Audit Commission

Corporate Governance Framework, July 2009

www.audit-commission.gov.uk/SiteCollectionDocuments/MethodologyAndTools/Guidance/CorporateGovernanceInspectionJan09update.pdf

The Commissioner for Public Appointments

Code of Practice for Ministerial Appointments to Public Bodies, August 2009

www.publicappointmentscommissioner.org/webapp/plugins/spaw2/uploads/files/Code%20of%20Practice%202009.pdf

Financial Reporting Council

UK Corporate Governance Code, June 2010

www.frc.org.uk/documents/pagemanager/Corporate_Governance/UK%20Corp%20Gov%20Code%20June%202010.pdf

Foundation Trust Network

The Foundations of Good Governance, September 2010

www.nhsconfed.org/Publications/Documents/foundations_good_governance140910.pdf

KPMG – Audit Committee Institute (ACI)

A Listing of Corporate Governance Resources, November 2007

www.kpmg.co.uk/aci/

Appendix 3 Principal NHS regulators and other bodies

Principal NHS regulators

- Monitor – Independent Regulator of NHS Foundation Trusts
- Care Quality Commission

Third parties with statutory powers (with specific remit to healthcare)

- General Chiropractic Council
- General Dental Council
- General Medical Council
- General Optical Council
- General Osteopathic Council
- Health Professions Council
- Nursing and Midwifery Council
- Royal Pharmaceutical Society of Great Britain.

Third parties with statutory powers (with general remit)

- Charity Commission (with respect to charitable funds associated with the NHS)
- Equality and Human Rights Commission
- Environment Agency
- Fire Authorities
- Health and Safety Executive
- Information Commissioner's Office
- National Audit Office
- Public Accounts Committee

Third parties with statutory role but no enforcement powers (with specific remit to healthcare)

- NHS Blood and Transplant Authority
- Parliamentary and Health Service Ombudsman
- Medicines and Healthcare products Regulatory Agency
- National Institute for Health and Clinical Excellence (NICE)
- OFSTED

Third parties with no statutory role but a legitimate interest (with specific remit to healthcare)

- Clinical Pathology Accreditation Ltd
- NHS Business Services Authority
- NHS Litigation Authority

Appendix 4 Template for major investment cases

Monitor's publication: *Risk Evaluation for Investment Decisions by NHS Foundation Trusts* describes best practice governance and decision making processes regarding investments.

Monitor recommends that a preliminary review is performed in the form of strategic business case which answers questions such as:

- does the Trust have the legal power to make the proposed investment?
- how does the proposed investment supports the strategy of the Trust?
- has the Trust identified the resources, for example management time and external professional advisors, required to undertake the investment review and to make the proposal successful if the decision is taken to invest?
- is there a basic business model?

If the proposed investment is sufficiently promising to warrant a detailed review, then the Committee shall request a detailed business case, which shall cover the areas outlined below.

Section	Content	Areas that Investment and Workforce Committee shall challenge
Executive summary	<ul style="list-style-type: none"> ■ Summary of the proposed investment ■ Key issues 	
Strategic fit	<ul style="list-style-type: none"> ■ Explanation of how the investment will deliver value ■ Explanation of how the investment will support the Trust's strategy 	<ul style="list-style-type: none"> ■ If the investment involves other entities, are their strategies and goals for the proposed investment aligned with those of the Trust?
Business plan	<ul style="list-style-type: none"> ■ Details of the investment shall be provided, including: <ul style="list-style-type: none"> – structure of the transaction (e.g. joint venture, majority owned subsidiary etc) – financing arrangements – safety and quality benefits 	<ul style="list-style-type: none"> ■ Has there been sufficient consideration of commercial, financial and legal issues? ■ Is external support required to perform due diligence? ■ Has the most appropriate structure been proposed? ■ What is the optimal financing structure for the investment? ■ Have the necessary skills and expertise to make the investment successful been identified? This is particularly relevant if the Trust is entering a new line of service or new geographical market.

Section	Content	Areas that Investment and Workforce Committee shall challenge
Business model	<ul style="list-style-type: none"> ■ Medium-term business model shall be constructed ■ Key assumptions explained, most importantly this will include a strategic market assessment of the potential for the investment to succeed ■ Impact on Trust's risk rating, prudential borrowing limit and private patient cap shall be considered in context of the Trust's FT application and on authorisation as an FT ■ If appropriate, a valuation of the investment shall be performed 	<ul style="list-style-type: none"> ■ What will be the net financial impact on the Trust in each year? Consider both the impact on the bottom line, and the cash position. Is the project affordable? How will this impact on the Trust's overall risk rating? ■ Have financing costs been integrated into the business model? ■ Where appropriate, is the methodology used for valuation clear?
Sensitivity analysis	<ul style="list-style-type: none"> ■ Key assumptions shall be altered in a range of scenarios and the implication on the business model be discussed 	<ul style="list-style-type: none"> ■ What will be the net financial impact on the Trust under a downside scenario? Consider both the impact on the bottom line, and the cash position ■ What are the mitigating actions if the downside scenario is realised?
Risk assessment and mitigation	<ul style="list-style-type: none"> ■ Identification and quantification of internal and external risks, including safety and quality, a SWOT and PEST analysis, together with mitigating actions ■ Analysis shall consider financial, HR, IT, legal, reputational and tax risks 	<ul style="list-style-type: none"> ■ What is the potential financial impact of the risks on the value of the investment? ■ How will the Trust manage risks? ■ Have necessary reports from external advisors been shared with the investment committee?
Governance and management arrangements	<ul style="list-style-type: none"> ■ Details of the governance and management arrangements to be adopted, including monitoring and reporting processes 	<ul style="list-style-type: none"> ■ Will the Trust have appropriate Board representation in the venture? ■ Is there confidence in the proposed management and leadership of the investment?
Comparison against alternatives	<ul style="list-style-type: none"> ■ Comparison of the proposed investment against alternative options, including a mandatory assessment against a 'do nothing' option 	<ul style="list-style-type: none"> ■ Is the investment more favourable than alternatives?
Project plan	<ul style="list-style-type: none"> ■ The timetable for the proposed investment shall be detailed, as shall the resource (e.g. project lead, external advisors) required to deliver the project 	<ul style="list-style-type: none"> ■ Does the project plan appear achievable? ■ What are the contingency plans if key personnel leave? ■ Are external advisors in place?

Appendix 5 Executive Team Responsibilities

Board of Directors

Name	Key Responsibilities
<p>Paul Simpson</p> <p>Chief Financial Officer</p>	<ul style="list-style-type: none"> • Support the creation/maintenance of an NHS Trust whose services are appropriately resourced, provide good value for money and are financially sustainable in the long term. • Provide financial governance and assurance. • Manage the Trust's cash and provide effective stewardship of the Trust's resources. • Provide confidence to external stakeholders about the Trust and its financial management that enhances the Trust's reputation. • Corporate responsibilities as an executive director, and the delivery of organisational success through personal leadership, effective working with the executive team, Board, and, in particular, the Chief Executive Officer.
<p>Ian Mackenzie</p> <p>Director of Informatics, Estates and Facilities</p>	<ul style="list-style-type: none"> • Leading the design and delivery of the Trust Health Informatics Strategy • Ensuring Trust Estate and Facilities support the delivery of Safe, high-quality healthcare • Leading the development and implementation of the Trust Estate Strategy • Senior Information Risk Officer (SIRO) – all Trusts must have one of these at the Board • Chief Knowledge Officer
<p>Joe Chadwick-Bell</p> <p>Director of Strategy and Transformation</p>	<ul style="list-style-type: none"> • Leading the development of the transformation programme and mechanisms for assuring progress • Leading the development of the overarching Trust strategy and in conjunction with the Medical Director develop the clinical strategy • Supporting the Chairman, Chief Executive and Board in managing corporate affairs • Leading the FT programme, co-ordinating the delivery of required outputs and assurances
<p>Rob Haigh</p> <p>Medical Director</p>	<ul style="list-style-type: none"> • Responsible for ensuring good clinical governance (with the Chief Nurse) and high standards of medical care • Developing and implementing modern and effective clinical leadership • Clinical ambassador for the Trust • Ensuring clinicians have resources and structures to deliver high quality clinical care • Ensure consultants job plans meet the needs of the Trust
<p>Mary Sexton</p>	<ul style="list-style-type: none"> • Professional and regulatory lead for nursing and midwifery, ensuring that the standards of practice support safe high quality care that ensures a positive patient

Chief Nurse	<p>experience.</p> <ul style="list-style-type: none"> • As the Director lead of Governance has responsibility for the programmes of corporate and clinical governance in the Trust. • Supporting the maintenance of effective integrated governance systems ensuring that the trust is appropriately governed. • Delivery of organisational success through effective working with Board members and senior clinical colleagues • Named board member for the safeguarding of children and vulnerable adults • Ensuring that there are robust infection prevention and control systems in place to comply with the Health and Social Care Act / Hygiene Code.
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In Attendance

<p>Bernie Bluhm</p> <p>Chief Operating Officer</p>	<ul style="list-style-type: none"> • Responsible for operational performance within the Trust • Responsible for the planning and delivery of capacity to meet demand • Emergency and Business Continuity Planning • Accountable for non-nursing budgets • Responsible for the day to day operational running of the Trust
<p>Yvonne Parker</p> <p>Director of Human Resources</p>	<ul style="list-style-type: none"> • Employee Relations • Strategic management of Recruitment Services • Occupational Health • Learning and Development • Medical Staffing
<p>Fionnula Robinson</p> <p>Director of Communications</p>	<ul style="list-style-type: none"> • Delivering effective staff communication and engagement to improve organisational effectiveness and performance • Developing stakeholder relationships, which are maintained by effective communication, to provide intelligence which helps us to tailor local services to local needs • Monitoring issues that have an impact on the organisation's reputation, and help to identify solutions and responses to these issues • Media relations management • Social media development and management