

<b>TRUST BOARD IN PUBLIC</b>	<b>Date: 29<sup>TH</sup> September 2016</b>	
	<b>Agenda Item: 4.1</b>	
<b>REPORT TITLE:</b>	<b>Corporate Governance Manual Update</b>	
<b>EXECUTIVE SPONSOR:</b>	Paul Simpson Chief Finance Officer	
<b>REPORT AUTHOR (s):</b>	Peter Burnett Deputy Chief Finance Officer	
<b>REPORT DISCUSSED PREVIOUSLY:</b>	AAC 13 Sept 2016	
<b>Action Required:</b>		
<b>Approval</b> <input checked="" type="checkbox"/>	Discussion ()	Assurance ()
<b>Purpose of Report:</b>		
For the approval of updated Corporate Governance Manual (Standing Orders, Standing Financial Instructions , Scheme of Reservation and Delegation of powers, Codes of Accountability and Conduct for Boards, Anti-Fraud and Corruption policies Tendering and Waiver Procedures).		
The Audit & Assurance Committee recommends approval.		
<b>Summary of key issues</b>		
The changes to documents making up Corporate Governance Manual can be summarised as follows:		
<ul style="list-style-type: none"> <li>• Material: to Board membership section and updating the remuneration committee references to align them to that Committee's terms of reference.</li> <li>• Minor to reflect changes in national organisational structures (TDA to NHSi), internal changes in job titles, and some minor changes in wording and formatting to provide greater clarity.</li> <li>• No changes have been made to authorisation limits or delegated authority.</li> </ul>		
<b>Recommendation:</b>		
The AAC recommends that the Board approves (ratifies) this annual update to the Trust's Corporate Governance Manual.		
<b>Relationship to Trust Strategic Objectives &amp; Assurance Framework:</b>		
<p><b>SO1:</b> Safe – Deliver safe high quality and improving services which pursue perfection and be in the top 20% against our peers</p> <p><b>SO2:</b> Effective – As a teaching hospital deliver effective, improving and sustainable clinical services within the local health economy</p> <p><b>SO5:</b> Well led - Become an employer of choice and deliver financial and clinical sustainability around a patient focused clinical model</p>		

<b>Corporate Impact Assessment:</b>	
<b>Legal and regulatory impact</b>	<p>NHS Trusts are governed by Act of Parliament as summarised mainly within the three 2006 NHS Acts, with subsequent revision in the Health and Social Care Act 2012.</p> <p>There are many and various other regulations applicable to the operation of the Trust, and in connection with these corporate governance documents particularly concerning procurement and employment law.</p> <p>The <u>main regulators</u>, are as follows:</p> <ul style="list-style-type: none"> <li>▪ External audit (Grant Thornton for this Trust) gives an opinion on the Trust's compliance with International Financial Reporting Standards and with NHS accounting conventions and provides a Value for Money Conclusion on the Trust's ability to put in place arrangements to deliver economy, efficiency and effectiveness in its use of resources.</li> <li>▪ The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services</li> </ul>
<b>Financial impact</b>	<p>The Corporate Governance manual provides the core financial controls relevant to the Trust, describes VFM requirements and appropriate financial decision making. It also provides policy on the prevention of fraud, business conduct and clarifies the accountability of Trust officers and other members of staff.</p>
<b>Patient Experience/Engagement</b>	<p>Not directly related, but where relevant (e.g. in decision making in respect of unfunded care) the documents make clear that patient need takes precedence over funding judgements.</p>
<b>Risk &amp; Performance Management</b>	<p>The manual provides part of the framework to minimise risk, and describes reporting aspects.</p>
<b>NHS Constitution/ Equality &amp; Diversity/ Communication</b>	<p>The manual complies with these aspects. Communication and promulgation of the document is achieved through cascaded notification, the availability of the manual on the inter/intranet and application in day to day aspects of the Trust's operation.</p>
<b>Attachment:</b>	
Paper and Draft revised Corporate Governance Manual	

**Trust Board Report – 29<sup>th</sup> September 2016**  
**Corporate Governance Manual Update**

**Summary:**

The updated Corporate Governance Manual (which includes the Standing Orders, Standing Financial Instructions, Scheme of Reservation and Delegation of powers, Codes of Accountability and Conduct for Boards, Anti-Fraud and Corruption policies Tendering and Waiver Procedures) is submitted for approval. It was last updated in January 2015.

The changes to the previous version are largely minor (to reflect changes in national organisational structures (TDA to NHSi), internal changes in job titles, and some minor changes in wording and formatting to provide greater clarity).

No changes have been made to authorisation limits or delegated authority.

The material changes are listed below and the revised Corporate Governance Manual is included as the appendix. Those aspects that are annotated below are recorded as “track changes” in the document.

The Trust’s Budget Manager’s Guide and Financial Procedures Guide have been updated in parallel and will be ratified at the Executive Committee.

**Material changes:**

Section	Contents	Nature / reasons for change
Throughout		Changes in national organisational structures (e.g.: TDA to NHSi), internal changes in job titles, and some minor changes in wording and formatting to provide greater clarity.
	<b>Standing Orders - Section B</b>	
1.1	Statutory Framework	Clarified status of legislation, removed unnecessary historical detail
1.2.	NHS Framework	Removed references to “Operating Framework” and made more general noting frequency of changes to internal NHS controls
2.1	Composition of Membership of Trust Board	Clarified the voting and non-voting members, presence of the Company Secretary and involvement of non-voting directors [track changes in document – page 16]
	<b>Standing Financial Instructions - Section C</b>	
11.4 & 12.2	External audit	Now appointed by Trust
16.1	Remuneration Committee	Amended SFIs to completely match rem comm ToRs as last updated (and as included in Section D already) [track changes – page 69]

**3. Recommendation**

**The AAC recommends that the Board approves (ratifies) this annual update to the Trust’s Corporate Governance Manual.**

[Please note – minor amendments requested by AAC at 2.1.4 (p16) and at 18.1.1 (p69) have been made]

[END]