

Board of Directors (Public)

Item 5.2

Subject: Corporate Governance Manual Review
Date of meeting: 26th July 2016
Prepared by: Lucy Lavan, Associate Director of Corporate Affairs
Presented by: Lucy Lavan, Associate Director of Corporate Affairs

BAF Ref	Impact on BAF
3.2	None

1. Executive Summary

Mersey Internal Audit Agency has supported the Trust in the annual review of the Corporate Governance Manual in order to provide assurance that it is comprehensive and consistent with best practice.

The Audit Committee was asked to consider the proposed updates at its meeting on 18th July 2016 and has recommended to the Board of Directors that the updates be approved and the revised Corporate Governance Manual adopted.

2. Key Updates

The 'Contents' page of the revised Manual is attached at Appendix 1. A weblink has been provided to enable Board members to access the manual in full and view the changes.

A schedule of the key changes made during the review is attached at Appendix 2. In the main, no significant changes have been made.

Key updates reflect revised NHS Improvement guidance, changes to the Committee structure, and changes in officer titles. Terms of reference for the Assurance Committees have been reviewed and considered by the Board through the committee annual reporting process. These changes have been reflected. There is a new policy on Standards of Business and Personal Conduct (A5.1) that has been incorporated following a review by the Trust's Anti-Fraud specialist and the Credit Card Policy (B15) has been included within the manual.

3. Recommendations

The Board is asked to approve the updated Corporate Governance Manual for immediate adoption.

Corporate Governance Manual

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- 1. Foreword**
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 - 2.1 Monitor Provider Licence
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 - 4.1 Tendering Procedure
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APPENDICES

A. Conduct and Probity

- A1 NHS Constitution for England
- A2 Code of Conduct for NHS Boards and Council of Governors
- A3 Code of Conduct for Council of Governors
- A4 Code of Conduct for NHS Managers
- A5 Standards of Business Conduct for NHS Staff
- A5.1 Standards of Business and Personal Conduct Policy
- A6 Payment by Results Code of Conduct

B. Key Corporate Arrangements and Policies

- B1 NHS Foundation Trust Accounting Officer Memorandum
- B2 Board Assurance Framework Policy
- B3 Risk Management Policy
- B4 Internal Audit Charter
- B5 Capital Investment Policy

- B6 Treasury Management Policy
- B7 Anti-Fraud, Bribery & Corruption Policy and Response Plan
- B8 Gift & Hospitality Policy
- B9 Declaration of Interests Policy
- B10 Raising Concerns Policy
- B11 Information Disclosure Policy
- B12 Fit and Proper Person Policy
- B13 Data Quality Strategy
- B14 Organisational Learning
- B15 Government Procurement Credit Card Policy

C. Terms of Reference – Assurance Committees

- C1 Committee Structure
- C2 Audit
- C3 Charitable Funds
- C4 Quality
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- C6 People
- C7 Nominations & Remuneration - Executives
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D. Council of Governors

- D1 Statement of Roles and Responsibilities of the Council of Governors
- D2 Policy for Raising Serious Concerns that are critical to the overall performance and welfare of the Foundation Trust
- D3 Engaging the External Auditor to supply additional (non-audit) services
- D4 Terms of Reference - Nominations & Remuneration (Non Executives)
- D5 Composition of Non-Executive Directors

Appendix 2

Proposed Key Updates to the Corporate Governance Manual – June 2016

A review of the Corporate Governance Manual is undertaken on an annual basis. The latest review has been undertaken with the support from MIAA. The key changes made to the document are summarised below.

Document	Ref	Update
All		Throughout, it is recognised that Monitor became NHS Improvement with effect from 1 st April 2016. Any references to Monitor prior to this date therefore remain.
2. Commissioner Requested Services	Commissioner Requested Services.	Commissioner requested services schedule has been removed.
3. Constitution	3.1 Constitution	Added in latest Constitution as per NHS Improvement website, following update on 2 nd March 2016.
4. Scheme Financial Instructions and Tendering	4.1 Tendering Procedure	Updated to reflect reference to latest guidance re consultancy expenditure cap of £50k set by NHS Improvement. Also updated to reflect current working practices as advised by Head of Procurement.
	4.2 SFI	Reviewed and updated by Deputy Director of Finance. Key changes made were as follows; <ul style="list-style-type: none">• References to the prudential borrowing code has been removed;• References to committees and groups have been updated to reflect current governance structure.• Added in reference to the payroll services provided by St Helens and Knowsley NHS Foundation Trust and stated that SFIs should be read in conjunction with their policies.
5. Scheme of Reservation and Delegation (SORD)	5.1 SORD – Section 3	Updated duties of the Operational Board and the Integrated Performance Committee to reflect changes to TOR
	5.1 SORD – Table B – Delegated Financial Limits	The following updates have been made; <ul style="list-style-type: none">• Reference has now been made to Monitor caps in relation to Bank and Agency and Consultancy spend.• Further clarity has been provided in

Document	Ref	Update
		<p>relation to the threshold levels for call off orders.</p> <ul style="list-style-type: none"> Update to delegated authority in relation to Charitable Funds.
6. Appendices – Conduct and probity	A1 – NHS Constitution for England	Replaced with latest document issued by NHS England dated 27 th July 2016.
	A5.1 – Standards of Business and Personal Conduct Policy	<p>This has been included to supplement the Standards of Business Conduct for NHS Staff following review by the Trust Anti – Fraud Specialist (AFS) against legislative/regulatory requirements, as well as benchmarking it against 'good practice' across other Trusts. The revised Code updates the NHS Standards of Business Conduct (1993) to bring it into line with current anti-fraud and bribery legislation, as well as into line with NHS Protect standards for providers.</p>
7. Corporate Arrangements and Policies	B1 – Accounting Officer Memorandum	Updated to reflect latest memorandum as published by Monitor 5 th Aug 2015.
	B5 – Risk Management Policy	Risk Management Policy was reviewed at the Risk Management and Corporate Governance Committee on 27 th June 2016 with the proposal for ratification (no changes from the previous version).
	B6 – Treasury Management Policy	<p>Minimal changes as follows;</p> <ul style="list-style-type: none"> The Trust's approach to funding has changed such that all surplus funds are available to the Trust on short notice of up to 1 month (previously 3 months). ie maximum maturity for all investments is 1 month. Updated to reflect any references to the current committee structure <p>Revised review date.</p>
	B8 – Gifts and Hospitality Policy	Updated Review date to June 2017.
	B9 – Declaration of	Updated Review date to June 2017.

Document	Ref	Update
	Interests Policy	
	B10- Raising Concerns Policy	Proposal for this policy to be included in the Corporate Governance Manual, once it has been approved. The policy is currently being revised but needs to go through management and staff representative consultation before it can be ratified.
	B10 – Information Disclosure Policy	This has been reviewed and one update made in relation to post - mortem reports (refer to p8). Revised review deadline updated to June 2019.
	B12 – Fit and Proper Persons	Included in the Corporate Governance Manual, following approval by the Board of Directors.
	B13 – Data Quality Strategy	Included in the Corporate Governance Manual, following approval by the Board of Directors.
	B14 – Organisational Learning	Included in the Corporate Governance Manual, following approval by the Board of Directors.
	B15 – Government Procurement Credit Card Policy	Included in the Corporate Governance Manual, following approval by the Board of Directors in 2015. Reviewed by Deputy CFO – no material changes are recommended – revised review date.
8. Appendix C - TOR	C1 – Committee Structure	Updated to reflect addition of Digital Healthcare Committee as a sub committee that reports to the Operational Board.
	C3 – TOR – Charitable Funds	Included the latest TOR as approved by the Board in March 2016.
	C4 – Quality Committee TOR	Revised review date to 2019.
	C5 – Integrated Performance TOR	Updated to reflect changes agreed as part of annual review of Committee. Revised review date to 2019.
	C6 – People Committee ToR	Updated, to reflect changes to TOR that were approved by the Board in April 2016.
	C7 – Nominations and	Latest TOR as approved by the Board in Oct 2015.

Document	Ref	Update
	Remuneration (execs) Committee ToR	
	C8 – Operational Board ToR	Latest TOR as approved in July 2015.
9. Appendix D – Council of Governors	D2 – Council of Governors Policy for raising concerns	As noted in changes presented last year, this has been updated to reflect references in Monitor Guidance. This was formally approved by the CoG in Oct 2015.
	D3 – Engagement with External Auditors	As noted in changes presented last year, this has been updated to reflect references in Monitor Guidance. This was formally approved by the CoG in Oct 2015.
	D4 - Council of Governors : Nominations and Remuneration Committee (for Chair / Non Executive Director appointments)	As noted in changes presented last year, this has been updated to reflect changes to job titles and extended review date until July 2018. This was formally approved by the CoG in Oct 2015.
	D5 – Composition of NED	As noted in changes presented last year, this has been updated to reflect latest regulatory requirements.