

Board of Directors (in public) Item 5.2

Subject: Annual Review of Corporate Governance Manual
Date of meeting: Tuesday 30th July 2024
Presented by: Ben Vinter, Director of Risk and Corporate Governance
Purpose of Report: For Assurance

BAF Ref	Impact on BAF
BAF 7	None

Level of assurance (please tick one) <i>To be used when the content of the report provides evidence of assurance</i>					
<input checked="" type="checkbox"/>	Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/>	Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/>	Low assurance Evidence indicates poor effectiveness of controls

1. Executive Summary

A comprehensive review of the Trusts Corporate Governance Manual (CGM) has been undertaken supported by Mersey Internal Audit Agency. This review takes place annually to ensure that the CGM remains comprehensive and consistent with best practice.

The Audit Committee met on 9th July 2024 and considered and supported the proposed updates. This included a more detailed review of some of the key policies, aligned to the committees responsibilities.

The Board of Directors is asked to approve the updates to the Corporate Governance Manual as recommended by the Audit Committee.

2. Key Updates

The 'Contents' page of the revised Manual is attached at Appendix 1. The Board of Directors can request a copy of the manual in full in order to view the changes, although a summary of the key changes made during the review is attached at Appendix 2 with many being minor amendments.

The following changes are highlighted for the attention of the Board of Directors:

- **Constitution** - The 'Powers' section includes updates to joint working arrangements.
- **Scheme of Reservation and Delegation (SORD)** - Scheme of delegation includes provision for delegation of procurement and approval limits to HPL and IT colleagues in line with LHCH expectations.
- **Code of Conduct for Council of Governors** - Reference to 'Monitor's Guide for NHS Foundation Trust Governors' updated to 'NHS England Addendum to Your Statutory Duties – Reference Guide for Governors and the Code of Governance'.
- **Risk Management Policy** - Roles and Responsibilities and training and resources descriptions updated. Further updates to monitoring and auditing descriptions and risk appetite and tolerance levels.
- **Anti-Fraud, Bribery & Corruption Policy and Response Plan** - Technical and contact details changes.
- **Freedom to Speak up (FTSU) Policy** - Contact details updated.
- **Fit and Proper Person Policy** - Policy Statement – New NHSE Fit and Proper Framework from 2023 referenced. Updates to roles and responsibilities, the senior independent director role and joint appointments across different NHS organisations. Clarification to personal data processing arrangements and reference requests.
- **Organisational Learning** - Sharing Learning – Notes that the Board of Directors receive presentations on organisational learning from PSIRF and update terms.
- **Government Procurement Credit Card Policy** - Cardholder monthly expenditure limit increased from £50k to £100k and 'Innovation Agency Chief Executive Officer' changed to Health Innovation North West Coast Chief Executive Officer.
- **Board Committee Structure** - The Assurance Committee Organogram has been updated to include CMAST Leadership Board and Broadgreen Joint Committee whilst the Strategic Research and Innovation Committee has been removed. The Operational Board Organogram has been updated to include Finance and Performance Group, Safe Waiting List Group, Strategic Accommodation Group and Safety Surveillance Group. The Patient Pathway Assurance Group has been removed and the Operational Research and Innovation Committee is now the overall Research and Innovation Committee.
- **Audit Committee ToR** - No longer required to review CQC Intelligence Monitoring Report. Required to provide an overview of the system governance and reporting in place.
- **Operational Board ToR** - Objectives and Duties – List of sub committees of the Operational Board updated. Membership – Membership updated including the option for the Chair to co-opt or invite other officers to attend meetings as required.
- **CMAST Leadership Board** - External / Partnership TOR awaiting review.
- **Liverpool Trust Committee** - External / Partnership TOR awaiting review.
- **Broadgreen Site Committee** - External / Partnership TOR awaiting review.
- **Composition of Non-Executive Directors** - The following changes were made to the policy during 2023/24. Skill Mix – Changed from the Chair of the Audit Committee to at least one member of the Audit Committee requiring recent and relevant financial expertise. Diversity – The Trust may introduce Associate Non-Executive Director roles to increase diversity and provide development opportunity through the NeXT Director

Scheme. Skills and Competencies – Updated link to NHSE guidance ‘NED2 About the NED Role’ and ‘The role of the NHS provider Chair’.

In addition, there are likely to be further changes required in year as the wider system governance continues to develop.

3. Recommendations

The Board of Directors if asked to approve the changes and adopt the revised Corporate Governance Manual as recommended by the Audit Committee.

The revised Corporate Governance Manual will then be uploaded onto the staff intranet, in accordance with the Trust’s document control procedure.

Corporate Governance Manual

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- 1. Foreword**
- 2. Provider Licence**
 - 2.1 Provider Licence
- 3. Constitution of the Foundation Trust**
- 4. Standing Financial Instructions & Tendering Procedure**
 - 4.1 Tendering Procedure
 - 4.2 Standing Financial Instructions
- 5. Scheme of Reservation and Delegation (SORD)**

APPENDICES

A. Conduct and Probity

- A1 NHS Constitution for England
- A2 Code of Conduct for NHS Boards
- A3 Code of Conduct for Council of Governors
- A4 Code of Conduct for NHS Managers
- A5 Standards of Business and Personal Conduct Policy

B. Key Corporate Arrangements and Policies

- B1 NHS Foundation Trust Accounting Officer Memorandum
- B2 Board Assurance Framework (BAF) 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 Managing Conflicts of Interests Policy
- B9 Freedom to Speak Up Policy
- B10 Information Disclosure Policy

- B11 Fit and Proper Person Policy
- B12 Organisational Learning
- B13 Government Procurement Credit Card Policy
- B14 Data Quality Strategy
- B15 Budget Virement Policy

C. Terms of Reference – Assurance Committees

- C1 Board Committee Structure
- C2 Audit
- C3 Charitable Funds
- C4 Quality
- C5 Integrated Performance
- C6 People
- C7 Nominations & Remuneration - Executives
- C8 Operational Board
- C9 Committee of Board: Hosted Organisations
- C10 CMAST Leadership Board
- C11 Strategic Research & Innovation

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 – July 2024

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

Document	Ref	Update – Main Changes/Other Comments
1.Foreword		No changes.
2. Monitor Provider Licence	2.1 Monitor Provider Licence	No changes.
3. Constitution		<p>The 'Powers' section included the following updates:</p> <ul style="list-style-type: none"> • The Trust may enter into joint working arrangements with a relevant body, local authority or combined authority. • Where a function is exercisable by the Trust jointly, an arrangement for a joint committee and a pooled fund may be considered. • In making a decision about the exercise of functions, the effects on health and wellbeing of the public, quality of services provided and efficiency and sustainability relating to the use of resources. • Ensuring arrangements are in accordance with 2006 Act, applicable statutory guidance and terms that the Trust sees fit. <p>All references to Monitor were updated to NHSE.</p> <p>The Deputy Chair or the Senior Independent Director should not chair the Audit Committee.</p>
4. Standing Financial Instructions and Tendering	4.1 Tendering Procedure	No changes. To be reviewed in November to account for upcoming national procurement regulations changes.
	4.2 SFI	No changes.
5. Scheme of Reservation and Delegation (SORD)		Scheme of delegation includes provision for delegation of procurement and approval limits to HPL and IT colleagues.
APPENDICES		
A. Conduct and Probity	A1 – NHS Constitution	Still current. To note – A consultation regarding the Constitution closed on the 26 th June ahead of being reviewed for 2025.
	A2 – Code of Conduct for NHS Boards	Still current.
	A3 – Code of Conduct for Council of Governors	Reference to 'Monitor's Guide for NHS Foundation Trust Governors' updated to 'NHS England Addendum to Your Statutory Duties – Reference Guide for Governors and the Code of Governance'.

Document	Ref	Update – Main Changes/Other Comments
	A4 – Code of Conduct for NHS Managers	Still current.
	A5.1 – Standards of Business and Personal Conduct Policy	Not due for review.
B. Key Corporate Arrangements and Policies	B1 – NHS Foundation Trust Accounting Officer Memorandum	Still current.
	B2 – Board Assurance Framework (BAF) Policy	Not due for review.
	B3 – Risk Management Policy	<ul style="list-style-type: none"> • Roles and Responsibilities – Director of Nursing, Quality & Safety to monitor and report on clinical risks and support risk management team. • Training and Resources – Risk management training updated to reflect PSIRF and availability of e-learning module. • Monitoring and Auditing – Annual report on compliance from the Risk Management Committee to be provided to the Operational Board. • Risk Appetite and Tolerance Levels - Risk appetite for Workforce domain reduced from 'Seek – 16' to 'Open – 12'. • All references to Datix were updated to InPhase, the Trust's incident management and alert system.
	B4 – Internal Audit Charter	No changes.
	B5 – Capital Investment Policy	No changes.
	B6 – Treasury Management Policy	Updated Exec lead.
	B7 – Anti – Fraud, Bribery & Corruption and Response Plan	Technical and contact detail changes.
	B8 – Conflict of Interest Policy	No changes.
	B9- Freedom to Speak up (FTSU) Policy	Contact details for raising a concern were updated.
	B10 – Information Disclosure Policy	No changes.
	B11 – Fit and Proper Person Policy	<p>Policy Statement – New NHSE Fit and Proper Framework from 2023 referenced. A person within the preceding 5 years convicted in British Islands of any offence for which imprisonment was no less than 3 months would no longer be a ground for unfitness.</p> <p>Roles and Responsibilities – The Chairs is accountable for taking all reasonable steps to ensure the FPPT process is effective and that the desired culture of their NHS organisation is maintained to support an effective FPPT regime. A number of responsibilities were identified.</p> <p>The Senior Independent Director role was introduced to review and ensure that the Chair is meeting the requirement of the</p>

Document	Ref	Update – Main Changes/Other Comments
		<p>FPPT.</p> <p>Joint Appointment Across Different NHS Organisations – New section added. FPPT required to be completed by the host organisation with input from the Chair of the other organisation, with a ‘letter of confirmation’ produced.</p> <p>Personal Data – New section added. All outcomes are recorded and signed off via ESR by the Chair.</p> <p>Board Member Reference Request – New section added. The Trust should request Board members references and store information for future checks to support assessments.</p> <p>Fit and Proper Persons Test Template – Self attestation form replaced with NHSE form.</p> <p>Board Meeting Reference Template – New addition to document.</p>
	B12 – Organisational Learning	<ul style="list-style-type: none"> • Sharing Learning – Notes that the Board of Directors receive presentations on organisational learning from PSIRF. • The Organisational Learning Database has been superseded by the Organisational Learning SharePoint. • Patient Safety Learning newly added to share learning from PSIRF through meetings, bulletins and screensavers. • References to PSIRF included where required.
	B13 – Government Procurement Credit Card Policy	Cardholder monthly expenditure limit increased from £50k to £100k and ‘Innovation Agency Chief Executive Officer’ changed to Health Innovation North West Coast Chief Executive Officer.
	B14 – Data Quality Strategy	Not due for review.
	B15 – Budget Virement Policy	No changes.
C. TOR – Assurance Committees	C1 – Board Committee Structure	<p>The Assurance Committee Organogram has been updated to include CMAST Leadership Board and Broadgreen Joint Committee whilst the Strategic Research and Innovation Committee has been removed.</p> <p>The Operational Board Organogram has been updated to include Finance and Performance Group, Safe Waiting List Group, Strategic Accommodation Group and Safety Surveillance Group. The Patient Pathway Assurance Group has been removed and the Operational Research and</p>

Document	Ref	Update – Main Changes/Other Comments
		Innovation Committee is now the overall Research and Innovation Committee.
	C2 – TOR Audit Committee	<ul style="list-style-type: none"> No longer required to review CQC Intelligence Monitoring Report. Required to provide an overview of the system governance and reporting in place.
	C3 – TOR – Charitable Funds	No changes.
	C4 – Quality Committee TOR	No changes.
	C5 – Integrated Performance TOR	No changes.
	C6 – People Committee ToR	No changes.
	C7 – Nominations & Remuneration - Executives	Not due for review.
	C8 – Operational Board ToR	<p>Objectives and Duties – List of sub committees of the Operational Board updated.</p> <p>Membership – Membership updated including the option for the Chair to co-opt or invite other officers to attend meetings as required.</p>
	C9 – Committee of the Board Hosted Organisations	No changes.
	C10 – CMAST Leadership Board	External / Partnership TOR awaiting review.
	C11 – Strategic Research and Innovation Committee	No change.
	C12 – Liverpool Trust Committee	External / Partnership TOR awaiting review.
	C13 – Broadgreen Site Committee	External / Partnership TOR awaiting review.
D. Council of Governors	D1 – Statement of Roles and Responsibilities	No change.
	D2 – Policy for Raising Serious Concerns	No change.
	D3 – Engaging the External Auditor	No change.
	D4 – TOR – Nominations and Remuneration (Non-Executives)	No change.
	D5 – Composition of Non-Executive Directors	<ul style="list-style-type: none"> The following changes were made to the policy during 2023/24. Skill Mix – Changed from the Chair of the Audit Committee to at least one member of the Audit Committee requiring recent and relevant financial expertise. Diversity – The Trust may introduce Associate Non-Executive Director roles to increase diversity and provide development opportunity through the NeXT Director Scheme. Skills and Competencies – Updated link to NHSE guidance ‘NED2 About the NED Role’. Additional Skills and Competencies Required of the Chair – Updated link to ‘The Role of the NHS Provider Chair’. Additional detail provided for the 5 responsibilities of the Chair (strategic,

Document	Ref	Update – Main Changes/Other Comments
		<p>people, professional acumen, partnerships and outcomes focus.</p> <ul style="list-style-type: none"> • Appointing NEDs and Terms of Office – Any extension beyond 6 years requires the support of the ICB and NHSE approval. • The following further changes were made in June 2024. • Skills and Competencies of NEDs – NHS Leadership Competency Framework added.