

Rules of Procedure

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About Brighton and Sussex University Hospitals

What we do

BSUH is the regional teaching hospital working across two sites: the Royal Sussex County Hospital in Brighton and the Princess Royal Hospital in Haywards Heath. The Brighton campus includes the Royal Alexandra Children's Hospital and the Sussex Eye Hospital.

We provide District General Hospital services to our local populations in and around the City of Brighton and Hove, Mid Sussex and the western part of East Sussex. We also provide more specialised and tertiary services for patients across Sussex and the south east of England.

Both hospitals provide many of the same acute services for their local populations. In addition, the Princess Royal Hospital is our centre for elective surgery and the Royal Sussex County Hospital is our centre for emergency and tertiary care. Our specialised and tertiary services include neurosciences, neonatal, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine. We are also the major trauma centre for the region.

We treat over three quarter of a million patients each year. Working as one hospital across two sites, and playing to the strengths of both, gives us the flexibility to develop services which meet the needs of our patients at different stages of their treatment and care.

Central to our ambition is our role as a developing academic centre, a provider of high quality teaching, and a host hospital for cutting edge research and innovation; and on this we work with our partners, Brighton and Sussex Medical School (BSMS) and Health Education, Kent, Surrey and Sussex (HEEKSS), as well as with our local universities.

We also work in close partnership with our local GPs to ensure that we are especially attentive to the quality of our District General Hospital services, especially how well we look after our most elderly patients, and that these services are provided and improved in ways which best meet the needs of those patients and their families.

Our vision

Our vision is set out in our Clinical Strategy. We aim to be:

- A provider of safe, high quality secondary and local acute services to Brighton and mid-Sussex that are integrated with services in partner agencies, financially sustainable, and responsive to the needs of the local population.
- A provider of safe, high quality, financially sustainable, tertiary services to Sussex, south-East Surrey and south-West Kent, where a Sussex-based service is in the best interests of patients
- A hub for expertise and skill in specialist provision, innovation, training and research, that supports development of clinical academic expertise and high quality networks of care across Sussex, delivered by both BSUH and partner providers

To support this vision, we will strive to achieve clinical, operational and financial sustainability. We will be:

- An organisation which achieves operational excellence to ensure it can provide safe, high quality, financially viable services

- A learning and innovative organisation whose relationship with commissioners is based on transparency and mutual respect, where priorities are aligned and the challenge of clinical and financial sustainability is shared
- An organisation which truly treats patients as both partners and co-producers and involves them closely in decisions ranging all the way from individual care choices to the future direction of the trust

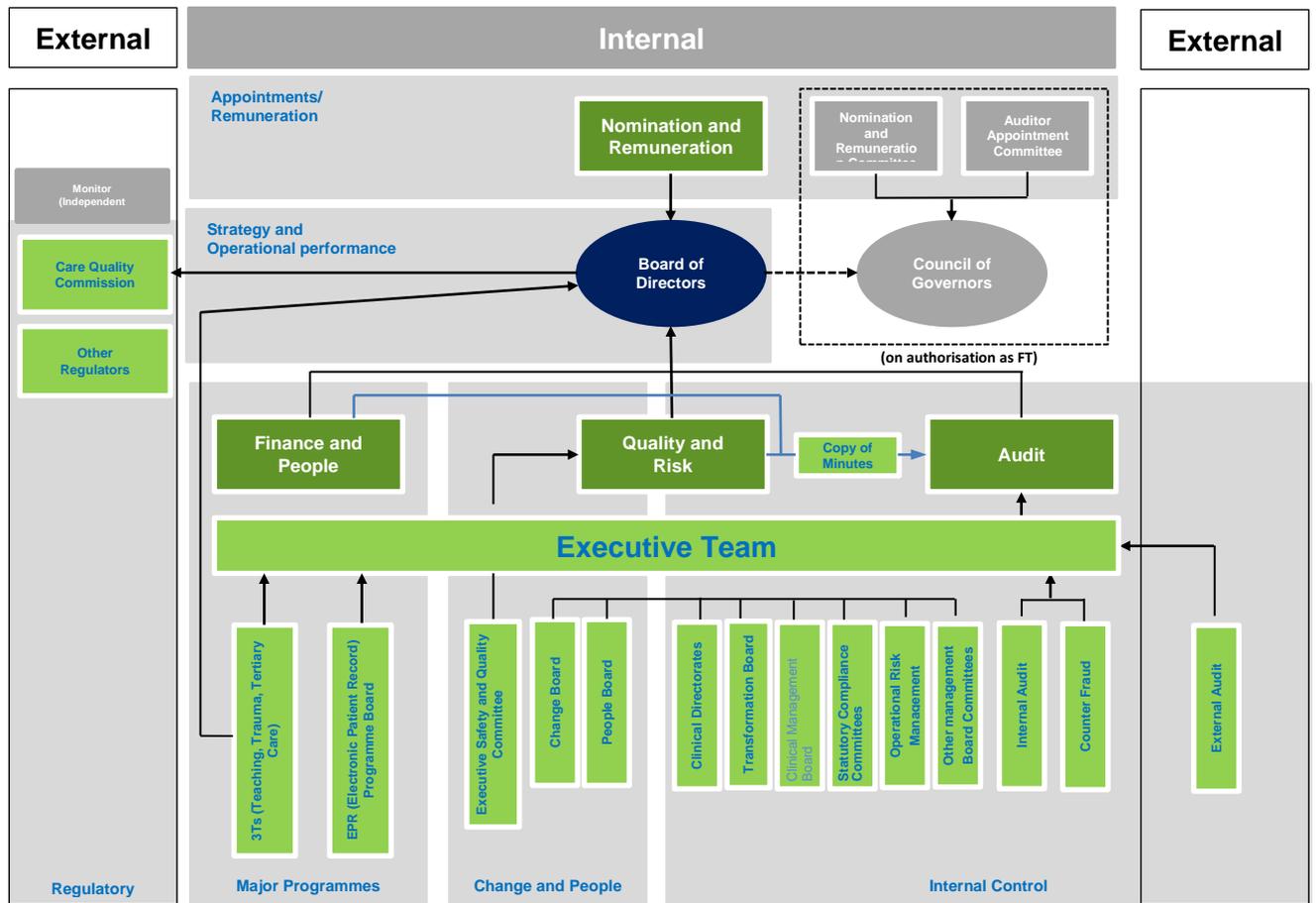
More information on BSUH's work, ambitions and objectives can be found on our website: www.bsuh.nhs.uk.

Chapter 1 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 the Executive Team 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 BSUH. They replace in their entirety the Rules of Procedure adopted by the Board in September 2013 and should be read in conjunction with the Standing Orders, Standing Financial Instructions and Schemes of Reservation and Delegation, which describe in detail the roles, responsibilities and procedural requirements of the Board of Directors (available at: www.bsuh.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 its annual governance statement 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 Separate arrangements are in place for the administration of the Brighton and Sussex University Hospitals NHS Trust Charitable Fund (Registered Charity 1050864), an independent legal entity of which BSUH is the corporate trustee.

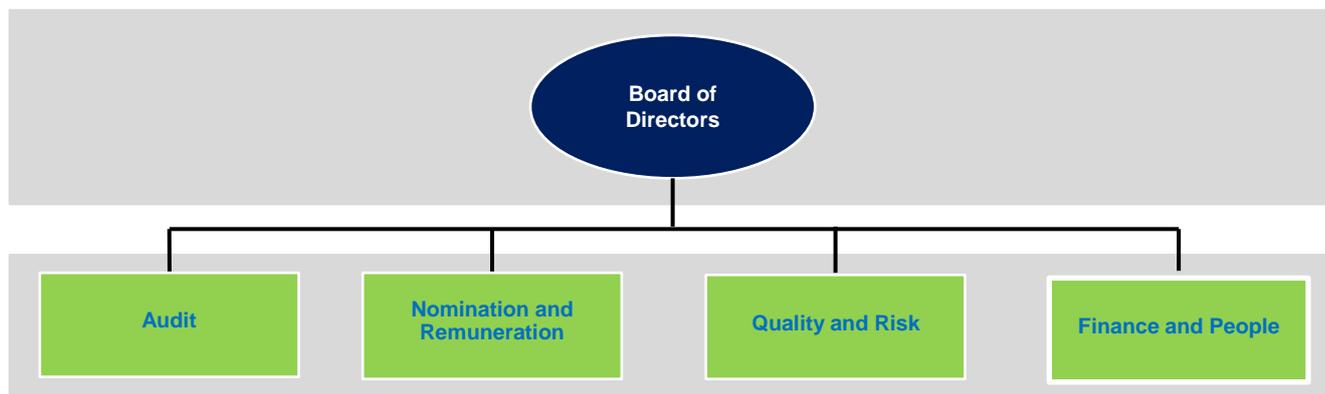
In these Rules of Procedure, words importing the masculine gender only shall include the feminine gender; words importing the singular shall import the plural and vice-versa. References to any statutory body shall be deemed to include any successor body or bodies which may from time to time assume all or substantially all of the functions of that original statutory body. References to any mandatory guidance issued by Monitor – ("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.

- 1.8 The diagram below shows how key elements of the Trust's corporate governance arrangements are discharged and how the Board of Directors provides assurance to external regulators that it is fulfilling its statutory responsibilities and meeting its strategic objectives. It also shows how, once established, the Council of Governors shall be assured that the Board of Directors is discharging its responsibilities.



Programme Boards

The lines in the diagrams above and all other diagrams in these Rules of Procedure indicate a relationship which is defined in detail in the relevant terms of reference. The 3Ts and Electronic Patient Record (EPR) Programme Boards have been established by the Board of Directors for the duration of the programmes and shall be wound-up on their conclusion. Both the 3Ts and EPR Programme Boards are accountable and report to the Board of Directors, which is the ultimate provider of assurance for major programmes.



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:

- (i) setting the Trust's strategic aims;
- (ii) setting the Trust's values and standards;
- (iii) the safety and quality of services;
- (iv) holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of internal control are robust and reliable;
- (v) 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
- (vi) ensuring that the Trust complies with these Rules of Procedure, Standing Orders, Standing Financial Instructions, Schemes of Reservation and Delegation and statutory obligations at all times.

2.2 Membership of the Board of Directors

2.2.1 The Board of Directors comprises:

- (i) a non-executive Chairman with a second and casting vote if necessary;
- (ii) up to six other non-executive directors; and
- (iii) up to five executive directors.

The proposed foundation trust constitution provides for a Board of Directors comprising a non-executive Chairman and up to seven non-executive directors and seven executive directors. Non-executive directors designate have therefore been appointed, who will attend meetings of the Board of Directors and Committees of the Board to which they have been appointed but they may not vote thereat.

2.2.2 At least half the members of the Board of Directors, excluding the Chairman, shall be non-executive directors determined by the Board of Directors to be independent. There are defined statutory roles for four of the executive directors:

- (i) one shall be the Chief Executive and Accountable Officer;
- (ii) one shall be the Chief Financial Officer;
- (iii) one shall be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984 (c24)); and
- (iv) one shall be a registered nurse or a registered midwife

2.2.3 The fifth executive director (voting Board member) is the Director of Strategy and Change and Deputy Chief Executive. Other Directors and senior officers may be required to attend, either routinely, or as required, as the Board of Directors considers appropriate.

2.2.4 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.

2.2.5 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 establishment, the Council of Governors.	The Chief Executive's principal responsibility is leading the Trust and its hospitals.
	The Chairman is responsible for leading the Board in its shaping of the Trust's organisational culture; one of openness, transparency, candour, putting the patient first, and which reflects NHS values.	The Chief Executive is responsible for disseminating the values and culture throughout 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 (for Board consideration) and implementing the Trust's strategy and communicating this to both internal and external stakeholders.
4	The Chairman is the guardian of the decision making process of the Board of Directors.	The Chief Executive is responsible for implementing the decisions of the Board of Directors and its Committees.
5	The Chairman is responsible for the general leadership of the Board of Directors and ensuring its effectiveness on all aspects of its role and setting its agenda and should ensure directors are receiving timely, accurate and clear information.	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 and 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 Director of Corporate Affairs where appropriate, compliance with the Board of Directors' approved procedures, including the schedule of matters reserved for its decision and each Committee's terms of reference	Ensuring, in consideration with the Chairman and the Director of Corporate Affairs as appropriate, that the Executive Management Committees comply with the Trust's approved procedures, including the SOs, the SFIs, 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, Director of Corporate Affairs and Committee Chairmen as appropriate: (i) a schedule of matters reserved to the Board of Directors for its decision; and (ii) terms of reference for each Board Committee and other Board of Director policies and procedures	Providing input to the Chairman and Director of Corporate Affairs on appropriate changes to the schedule of matters reserved to the Board of Directors and Committee terms of reference
10	Proposing the membership of Board Committees and their Chairmen 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 induction programmes 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 individual directors and of the Board of Directors as a whole and meeting on-going development needs	Ensuring that the development needs of the Directors 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 performance reviews are carried out at least once a year for each of the Directors. Providing input to the wider evaluation process of the Board of Directors.

2.2.6 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.

2.2.7 Meetings of the Board of Directors

- 2.2.7.1 The Board of Directors shall meet monthly. The meeting shall be held in the last week of each month 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 Committee, Quality and Risk Committee and Finance and People Committee as programmed) to ensure that any matters that the Chairmen of these Committees believe need to be submitted to the Board of Directors are considered on a timely basis.
- 2.2.7.2 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.
- 2.2.7.3 The Board of Directors shall meet in public. 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.
- 2.2.7.4 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.

2.2.8 Standing agenda of the Board of Directors

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

1. annual approval of strategic plan and budget;
2. annual approval of financial accounts;
3. annual approval of the quality account;
4. review of Board 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; and
7. most recent report from each Committee of the Board of Directors.

2.2.9 BSUH Code of Conduct

- 2.2.9.1 All members of the Board of Directors shall comply with the BSUH Code of Conduct set out as Appendix 1 to these Rules of Procedure.
- 2.2.9.2 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.

2.2.10 Administration

- 2.2.10.1 Agenda for all meetings shall be reviewed by the Chairman of the Board of Directors and shared with members ten days ahead of each meeting.
- 2.2.10.2 Papers for all meetings shall be made available no later than five days in advance of each meeting. Papers shall be prepared in accordance with the Board and Committee paper template (available at www.bsuh.nhs.uk/rulesofprocedure).
- 2.2.10.3 Papers shall only be tabled at meetings in exceptional circumstances and with the agreement of the Chairman presiding at the meeting.

2.2.11 Decision Making

- 2.2.11.1 The rules below shall apply to meetings of the Board of Directors.
- 2.2.11.2 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.
- 2.2.11.3 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.
- 2.2.11.4 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.
- 2.2.11.5 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.
- 2.2.11.6 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.
- 2.2.11.7 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.
- 2.2.11.8 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.

2.2.12 Minutes of meetings

2.2.12.1 The Director of Corporate Affairs, as the nominated Secretary, shall record the minutes of every meeting.

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

2.2.12.3 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.

2.2.12.4 Minutes shall record key points and outcomes of discussion. Where HR, commercial or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.

2.2.13 Key Performance Indicators

2.2.13.1 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 on-going relevance.

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

2.2.14 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 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 (an independent evaluation will be undertaken every 2 years);
- (ii) review of Audit Committee effectiveness;
- (iii) review of Quality and Risk Committee effectiveness;
- (iv) review of Finance and People Committee effectiveness;

- (v) review of Nomination and Remuneration Committee effectiveness; and
- (vi) review of Charitable Funds Committee effectiveness

2.2.15 Board Development programme

The Board of Directors has a development programme in place 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.

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 and Programme Boards
- Report from Chairman and Chief Executive

2. Safety and Quality

- Nurse staffing (monthly & six-monthly)
- Safety and Quality reports (periodically and by exception)

3. Strategy

- Approval of Trust strategies

4. Financial and Operational Performance

- Board performance dashboard
- Finance report
- Progress against corporative objectives (quarterly)

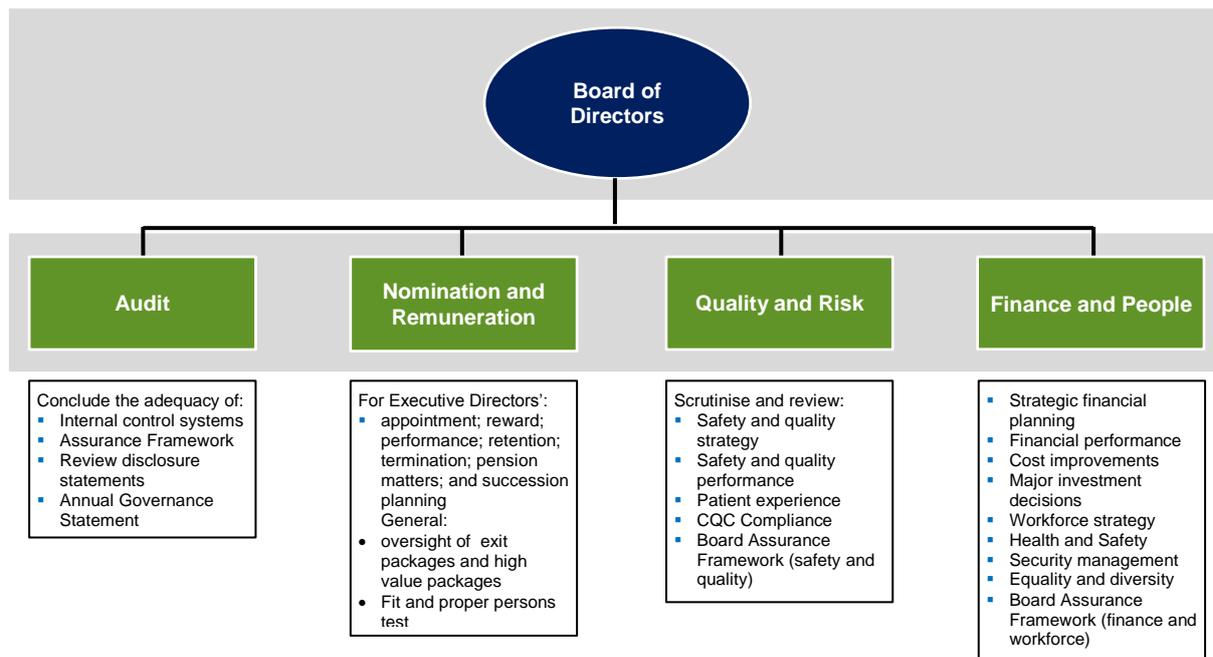
5. Risk & Regulatory

- Board Assurance Framework (quarterly)

6. General

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

3 Committees of the Board of Directors



3.2.2 Key duties of Board Committees and reporting timetable

The diagram below summarises the main duties of the Committees of the BSUH 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. In addition, 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

Timetable												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Meeting												
Board of Directors	W4	NA	W4	W4	W4	W3						
Audit			W2			W2			W2			W1
Nomination & Remuneration	W3			W3			W3			W3		
Quality & Risk	W3											
Finance & People	W3											

3.2.3 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	Nomination & Remuneration	Quality & Risk	Finance & People
Receives papers from	<ul style="list-style-type: none"> • Chief Executive • Executive directors • Other Directors • External professional advisors (as appointed by the Board from time-to-time) 	<ul style="list-style-type: none"> • Chief Financial Officer • Director of Corporate Affairs • Other Directors • Internal Audit • External Audit • Local Counter Fraud Service 	<ul style="list-style-type: none"> • Chief Executive • Operational Director of HR • External advisors 	<ul style="list-style-type: none"> • Medical Director • Chief Nurse • Deputy Medical Director (Safety and Quality) 	<ul style="list-style-type: none"> • Chief Financial Officer • Director of Strategy and Change • Chief Operating Officer • Director of 3Ts • Director of Corporate Affairs
Receives summary reports and minutes from	<ul style="list-style-type: none"> • Audit Committee • Quality and Risk Committee • Finance and People Committee • Nomination and Remuneration Committee 	<ul style="list-style-type: none"> • Quality and Risk Committee • Finance and People Committee 	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Executive Safety and Quality Committee 	<ul style="list-style-type: none"> • Change Board
Submits minutes to	<ul style="list-style-type: none"> • Council 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 	<ul style="list-style-type: none"> • Board of Directors
Submits annual reports to		<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

3.2.4 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 the annual self-assessment process. The standards with which all Board Committee members shall comply to ensure good governance are set out below.

3.2.5 Conduct

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

3.2.6 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.
- 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 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 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 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 (available at www.bsuh.nhs.uk/rulesofprocedure).
- 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. Where personnel, finance or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.

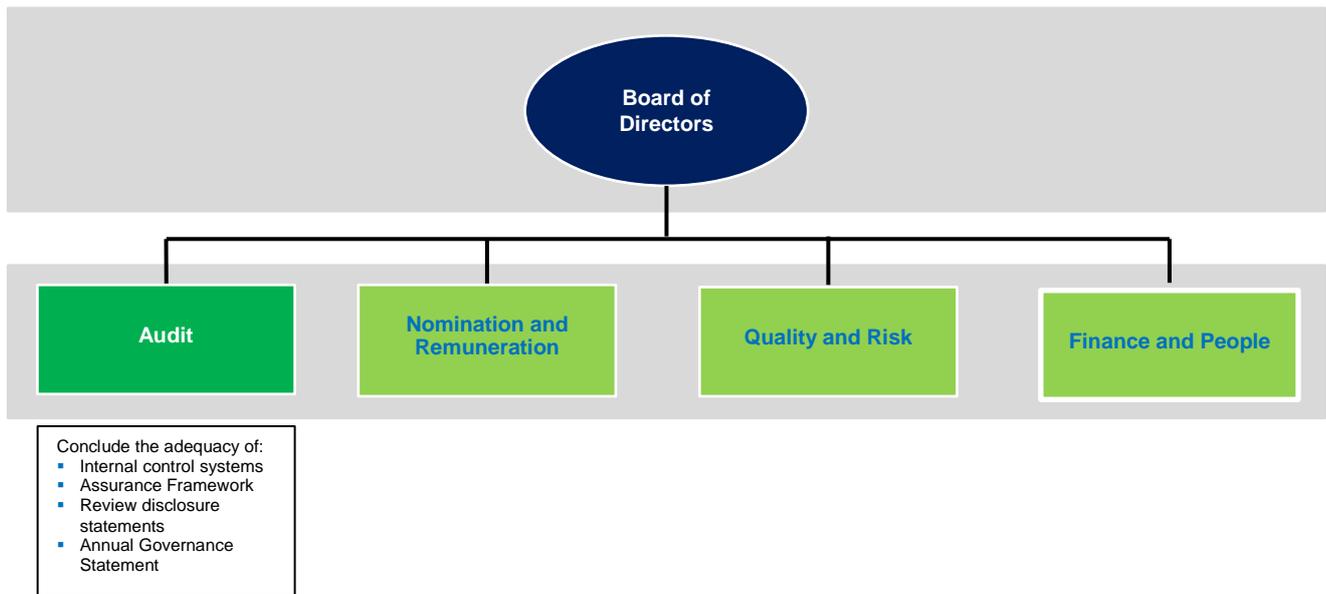
3.10 Assessment of effectiveness

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 at the conclusion of each financial year. 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.

4 Audit Committee



4.1 Summary purpose and authority

- 4.1.1 In line with the requirements of The NHS Audit 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 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 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 Management Committees to implement a sound system of internal control agreed by the Board of Directors. The Audit 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 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 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, Annual Governance Statement and required declarations. At least one of its members must have recent and relevant financial experience.
- 4.1.4 Members of the Audit Committee shall be independent non-executive directors who are financially literate and have the personal and professional characteristics necessary to be effective. The Audit Committee shall be informed, vigilant and effective overseers of the financial reporting process. To do this, Audit 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 and paid for by the Trust. The Audit 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 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 Committee shall undertake a number of effectiveness reviews each year.

4.3.1 Annual Report to the Board of Directors

4.3.2 The Audit 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 Committee has made to the governance of the Trust.

4.3.3 The Audit Committee Chairman shall present this report to the Board of Directors.

4.4 Review of Audit Committee effectiveness

4.4.1 The Audit 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.

4.4.2 In addition, members of the Board of Directors who are not members of the Audit Committee shall also assess the effectiveness of the Audit Committee.

4.5 Review of Internal Audit effectiveness

4.5.1 The Audit Committee shall complete the Audit Committee Institute's Assessment of Internal Audit toolkit annually to confirm compliance with best practice. A copy of the toolkit that has been completed by management shall be submitted to assist in this process.

4.5.2 The Audit Committee shall receive an annual report from the Head of Internal Audit which reports compliance with Internal Audit KPIs.

4.6 Review of External Audit effectiveness

The Audit Committee shall complete the Audit Committee Institute's Assessment of External Audit toolkit annually to confirm compliance with best practice

Audit Committee Terms of Reference

1. Background

- 1.1 The Audit Committee (“the Committee”) is a standing Committee of the Board of Directors. These terms of reference shall apply for as long as the Trust is an NHS Trust and can only be amended by the Board of Directors. On authorisation as an NHS foundation trust, the Board of Directors shall adopt terms of reference which shall have been prepared in advance and which reflect the statutory requirements that apply with respect to NHS foundation trusts.
- 1.2 The overall purpose of the Committee is to:
- (i) review the establishment and maintenance of an effective system of corporate governance, internal control and risk management across the whole of the Trust’s activities that supports the achievement of the Trust’s objectives;
 - (ii) monitor the integrity of the financial statements of the Trust;
 - (iii) monitor the independent auditors' qualifications, independence and performance;
 - (iv) monitor the performance of the Trust's Internal Audit function; and
 - (v) monitor compliance by the Trust with legal and regulatory requirements either directly or through the work of other committees.

2. Authority

- 2.1 The Audit Committee is an advisory body with no executive powers; it is not the duty of the Audit Committee to carry out any function that properly belongs to the Board of Directors or the Executive Management Committees.
- 2.2 The Committee is, however, authorised by the Board of Directors to investigate any activity which falls within its duties as set out at paragraph 6 below and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received from, Internal Audit shall be channelled through the Chief Financial Officer, who reports to the Accountable Officer.
- 2.3 The Audit Committee is authorised to obtain external legal or independent professional advice at the Trust’s expense if it considers this necessary. This shall be authorised by the Chairman of the Committee and shall be within any budgetary constraints imposed by the Board of Directors.
- 2.4 The Audit Committee has the authority to require any member of staff to attend its meetings.

3. Membership and Attendance

- 3.1 The Committee shall be appointed by the Board of Directors from amongst the independent non-executive directors and shall consist of not less than three members, one of whom shall be the Chairman of the Committee.
- 3.2 Membership shall be for no more than three years and renewable for one further three year term subject to the approval of the Board of Directors.

- 3.3 Non-executive members of the Board of Directors not appointed to the Committee in accordance with paragraph 3.1 above shall have the right of attendance. The Chairman of the Board of Directors shall not normally exercise this right. The Secretary shall circulate minutes of meetings to all members of the Board of Directors.
- 3.4 Additional staff may be invited to attend meetings but shall have no voting rights:
- 3.5 The Director of Corporate Affairs shall attend as Secretary to the Committee.
- 3.6 The Head of Internal Audit and the External Auditor shall have open and confidential access to the Chairman of the Audit Committee.
- 3.7 The Chief Financial Officer and appropriate Internal and External Audit representatives shall attend meetings. The Committee may meet privately with Internal Audit and External Audit representatives before or after each meeting in order to ensure any confidential or other relevant matters are discussed.
- 3.8 Members of the Executive Team detailed above shall be invited to attend to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement.
- 3.9 The minutes of all Committee meetings shall be formally recorded and submitted to the Board of Directors. A report shall be made following each Committee meeting by the Committee Chairman to the next meeting of the Board of Directors on issues which need to be considered by it.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members.
- 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, the remaining 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 at least quarterly and at such other times as the Chairman of the Committee shall require.

- 5.2 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee and/or Chief Executive.
- 5.3 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.
- 5.4 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

6.1 Governance, Assurance, Risk Management and Internal Control

- 6.1.1 The Committee shall review the establishment and maintenance of an effective system of corporate governance, risk management and internal control across the whole of the Trust's activities that supports the achievement of its corporate objectives.
- 6.1.2 The Committee shall review the adequacy of all risk and control related disclosure statements, together with any accompanying Head of Internal Audit statement, External Audit opinion or other appropriate independent assurance, prior to endorsement by the Board of Directors
- 6.1.3 The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation to consider the implications for the governance of the organisation. These shall include, but not be limited to, reviews by:
- (i) Department of Health;
 - (ii) NHS Litigation Authority;
 - (iii) other regulators and inspectors; and
 - (iv) professional bodies with responsibility for performance of staff or functions including Royal Colleges and accreditation bodies
- 6.1.4 The Committee shall review the underlying assurance processes that indicate the degree of achievement of corporate objectives and assurance over quality of data. This shall be through a review of the work of other Committees which provide relevant assurances to support the Audit Committee's own scope of work.
- 6.1.5 The Committee shall review policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements, including whistle-blowing arrangements.
- 6.1.6 The Committee shall be notified of, and review, any decision to suspend Standing Orders.
- 6.1.7 The Committee shall utilise the work of Internal Audit, External Audit and other assurance functions but shall not be limited to these audit functions. It shall also seek reports and assurances from the Executive Management Committees and other senior employees as appropriate, concentrating on the overarching systems of corporate governance, risk management and internal control, together with indicators of their effectiveness.
- 6.1.8 The Committee shall report issues in relation to audit, risk or internal control to the

Board of Directors on an exception basis in addition to an annual report focused on the effectiveness of the Committee in exercising these duties.

6.2 **Internal Audit**

- 6.2.1 The Committee shall be satisfied that there is an effective Internal Audit function established by management that meets mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board of Directors.
- 6.2.2 The Committee shall be involved in discussions on the appointment and dismissal of the Internal Audit service and its cost, the responsibility for which rests with the Chief Financial Officer (paragraphs 11.1.3 and 11.2.1 of the Standing Financial Instructions). The Committee shall undertake an annual assessment of the effectiveness of the Internal Audit service following receipt of the Internal Audit annual report.
- 6.2.3 The Committee shall review and approve the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Board Assurance Framework.
- 6.2.4 The Committee shall consider the major findings of Internal Audit work and review the adequacy of proposed actions.
- 6.2.5 The Committee shall monitor the implementation of actions to address all recommendations arising from Internal Audit reports through the use of an overall audit and assurance outstanding recommendation tracker to be reported to each meeting.
- 6.2.6 The Committee shall oversee co-ordination between the Internal and External Auditors to optimise audit resources.
- 6.2.7 The Committee shall monitor the arrangements put in place by management to ensure that the Internal Audit function is appropriately resourced and has appropriate standing within the organisation through on-going monitoring against core Internal Audit KPIs.
- 6.2.8 The Committee shall undertake an annual review of the Internal Audit function against a standardised evaluation toolkit and, in doing so, shall take into account the management review of the function carried out using the same toolkit.

6.3 **Counter Fraud**

- 6.3.1 The Committee shall ensure that the Trust promotes an effective Counter Fraud culture by ensuring that the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by NHS Protect are implemented.
- 6.3.2 The Committee shall review the Trust's procedures for detecting fraud and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and control.

6.4 External Audit

- 6.4.1 The Committee shall review the work and findings of the External Auditor and consider the implications and management's responses to their work. This shall be achieved by the performance of the duties set out in paragraphs 6.4.2 to 6.4.5 below.
- 6.4.2 The Committee shall consider the appointment and performance of the External Auditor. The Audit Committee shall undertake an annual review of the External Audit function against a standardised evaluation toolkit.
- 6.4.3 The Committee shall discuss and agree with the External Auditor, before the audit commences, the nature and scope of the audit as set out in the Annual Plan, and ensure co-ordination, as appropriate, with other External Auditors in the local health economy.
- 6.4.4 The Committee shall discuss with the External Auditors their evaluation of audit risks and assessment of the Trust and associated impact on the audit fee.
- 6.4.5 The Committee shall review all External Audit reports, agree the annual audit letter prior to its submission to the Board of Directors and review any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

6.5 Financial Reporting

- 6.5.1 The Committee shall review the annual accounts prior to their submission to the Board of Directors, focusing particularly on:
- (i) the wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee;
 - (ii) application of critical accounting policies and practices, and any changes in them;
 - (iii) compliance with accounting standards and applicable reporting guidance including the NHS Manual For Accounts;
 - (iv) the clarity of disclosures;
 - (iv) unadjusted mis-statements in the financial statements;
 - (v) decisions requiring a significant element of judgement; and
 - (vi) significant adjustments resulting from the audit.
- 6.5.2 The Committee shall ensure that the systems for financial reporting to the Board of Directors, including those of budgetary control, are reviewed in relation to completeness and accuracy of the information provided to the Board.
- 6.5.3 The Committee shall review schedules of losses and compensations, making recommendations to the Board of Directors as appropriate, taking account of delegated limits.
- 6.5.4 The Committee shall monitor compliance with the Trust's Standing Orders, including through notification and review of any decision to suspend them.

- 6.5.5 The Committee shall monitor compliance with Standing Financial Instructions through receipt of waivers for all variations.
- 6.5.6 The Committee shall review schedules of debtor and creditor balances aged more than six months and over £50,000 in value and shall obtain an explanation of the nature of the outstanding arrangement.
- 6.5.7 The Committee shall review the arrangements in place to secure economy, effectiveness and efficiency in the use of resources.

6.6 Information Assurance

The Committee shall monitor and review the Trust's Information Assurance Framework through consideration of the document and submissions from the Information Governance Committee, which reports to the Executive Team.

7. Reporting arrangements

7.1 The following items shall be considered at each meeting of the Committee:

- (i) update from External Auditor;
- (ii) update from Head of Internal Audit;
- (iii) update from Chief Financial Officer;
- (iv) report from Local Counter Fraud Specialist & Compliance Manager
- (v) summary of business of other Board Committees; and
- (vi) audit recommendation tracker.

7.2 The following items shall be considered annually:

- (i) External Audit annual plan for the following financial year;
- (ii) Internal Audit plan for the following financial year;
- (iii) Local Counter Fraud Service plan for the following financial year;
- (iv) Final accounts;
- (v) Board Assurance Framework;
- (vi) Annual Governance Statement;
- (vii) Head of Internal Audit's opinion on internal controls and annual report;
- (viii) External Auditor's audit opinion, ISA (UK&I) 260 Report, audit certificate and findings;
- (ix) review of External Auditor's work and fees;
- (x) Local Counter Fraud Specialist & Compliance Manager annual report;
- (xi) Standing Orders, Standing Financial Instructions and Schemes of Reservation and Delegation;
- (xii) review of any governance aspects not covered above; and
- (xiii) management's assessment of Internal Audit.

7.3 These terms of reference shall be made publicly available on the Trust's website.

7.4 Annual review process

7.4.1 The Committee shall undertake a self-assessment of its effectiveness on at least an annual basis. This shall be based on the Department of Health's publication The NHS Audit Committee Handbook, Monitor's publication The NHS Foundation Trust Code of Governance and other best practice material including the Audit Committee

Institute's Assessment of Audit Committee Effectiveness. This may be facilitated by independent advisors if the Committee considers this appropriate or necessary.

- 7.4.2 The Chairman of the Committee shall conduct an annual appraisal of the members of the Audit Committee in their roles as such and shall report the outcome to the Chairman of the Board of Directors.
- 7.4.3 These terms of reference shall be reviewed by the Board of Directors on at least an annual basis

Audit Committee: Standing Agenda

1. General Business

- Chairman's welcome and apologies for absence
- Declaration of interests
- Minutes of previous meeting
- Agreed actions tracker

2. Audit Items

- Internal Audit report
- External Audit report
- Local Counter Fraud Specialist & Compliance Manager report

3. Risk

- Chief Financial Officer's report on financial risks
- Reports from other Board Committees
- Audit recommendations tracker

4. General

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

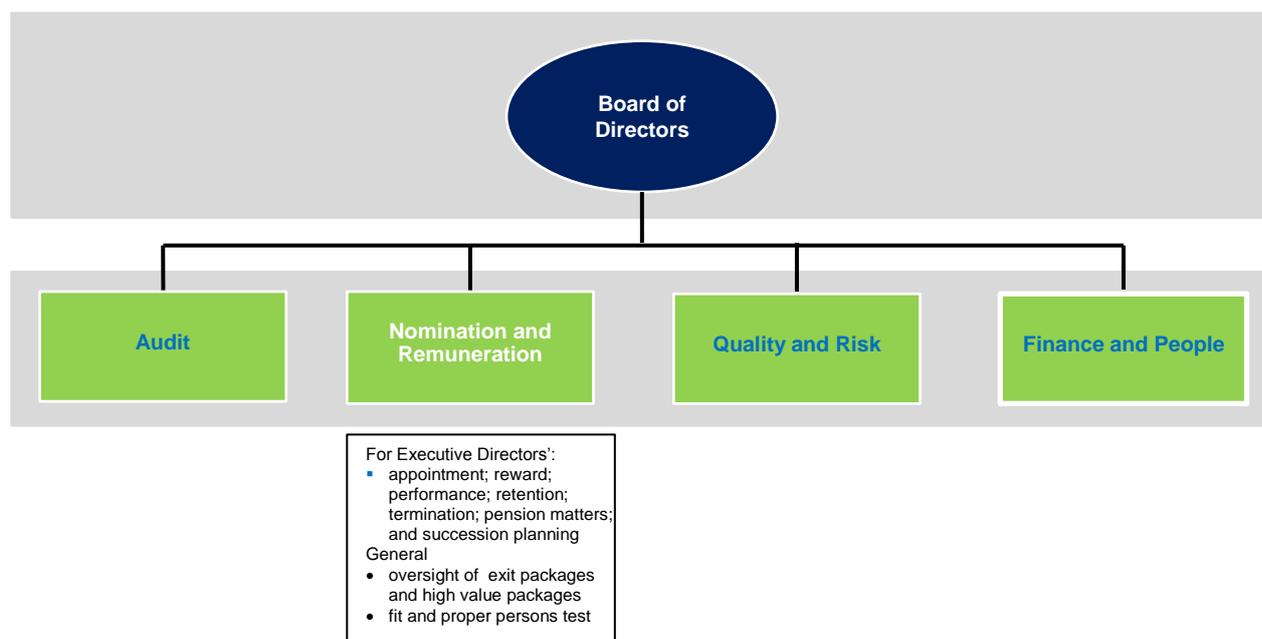
Audit Committee: Meeting Timetable

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 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 the performance of other Board Committees	✓			
5. Governance, assurance, risk management and internal control				
6. Review of the effectiveness of corporate governance			✓	
7. Review of the effectiveness of risk management			✓	
8. Review of the effectiveness of internal control			✓	
9. Review the Annual Governance Statement	✓			
10. Finalise the Annual Governance Statement		✓		
11. Review the Annual Report	✓			
12. Finalise the Annual Report		✓		
13. Review the Head of Internal Audit Statement		✓		
14. Review of the External Audit opinion/independent assurance		✓		
15. Review the findings of other significant assurance functions, including other Committees of the Board of Directors	✓	✓	✓	✓
16. Review of regulatory, legal and code of conduct policies				✓
17. Review corporate governance, risk management and internal control reports provided by directors and managers		✓		
18. Report audit, risk or internal control issues to the Board of Directors		✓		
19. Provide an annual report to the Board of Directors		✓		
20. Internal audits				
21. Consider the cost, appointment and removal of the Internal Auditors	✓			
22. Review and approve the Internal Audit strategy for next financial year	✓			
23. Review and approve the operational strategy	✓			
24. Review and approve the operational plan	✓			
25. Review and approve the programme of work	✓			
26. Consider the reported findings and proposed actions		✓	✓	✓
27. Monitor the audit recommendations tracker	✓	✓	✓	✓
28. Review the Internal and External audit protocol		✓		
29. Monitor core Internal Audit KPIs			✓	
30. Undertake an annual review of the Internal Audit function			✓	
31. Counter fraud				
32. Review and approve Counter Fraud plan	✓			
33. Review policies and procedures		✓		
34. Review procedures for fraud detection		✓		
35. Review Counter Fraud annual report		✓		
36. External audit				
37. Review the work and findings of the External Auditor	✓			
38. Review the External Audit fees annually	✓	✓		
39. Consider the appointment of the External Auditor	✓			
40. Consider the performance of the External Auditor		✓		

41. Evaluate External Audit against a standardised evaluation toolkit		✓		
42. Discuss the nature and scope of the audit	✓			
43. Discuss the evaluation of audit risks and fee implications	✓			
44. Review all External Audit reports	✓	✓		✓
45. Agree the annual audit letter		✓		
46. Submit the annual audit letter to the Board of Directors		✓		
47. Review any work undertaken outside the annual plan	✓	✓	✓	✓
48. Financial reporting				
49. Review the annual accounts		✓		
50. Review the financial reports prior to submission to the Board		✓		
51. Review schedule of losses and compensations		✓		
52. Monitor compliance with the Trust's Standing Orders	✓	✓	✓	✓
53. Monitor compliance with the Trust's Standing Financial Instructions	✓	✓	✓	✓
54. Review schedules of debtor and creditor balances		✓		✓
55. Information Assurance				
56. Monitor the Trust's Information Governance 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; provide oversight of exit agreements and packages, ensuring transparency, fairness and consistency; and provide oversight of the fitness of Directors. 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. Background

- 1.1 The Nomination and Remuneration Committee (“the Committee”) is a standing Committee of the Board of Directors. The overall purpose of the Committee is to appoint and, if necessary, dismiss the executive directors; to agree and review the Trust’s policies on reward, performance, retention and pension matters for the executive directors of the Trust; to oversee exit payments and agreements and provide oversight of the fitness of Directors. .
- 1.2 These terms of reference can only be amended by the Board of Directors. They shall be reviewed on at least an annual basis and shall apply for as long as the Trust is an NHS Trust.
- 1.3 On authorisation as an NHS foundation trust, the Trust shall establish separate Nomination and Remuneration Committees which shall comply with the requirements of the National Health Service Act 2006 and Monitor’s publication: The NHS Foundation Trust Code of Governance and the best practice arrangements set out in its publication: Your Statutory Duties: A Reference Guide for NHS Foundation Trust Governors.

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 remuneration 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 the Chairman of the Board of Directors, independent non-executive directors and the Chief Executive.
- 3.2 The Chairman of the Committee shall be the Chairman of the Board of Directors.
- 3.3 The Operational Director of Human Resources shall assist the Committee and
- 3.4 The Director of Corporate Affairs shall act as Secretary to the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be five.

- 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;
 - (ii) or becomes inquorate during the course of the meeting,
 - (iii) 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 at least three times a year and at such other times as the Chairman of the Committee shall require.
- 5.2 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman and/or Chief Executive.
- 5.3 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. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 5.4 Minutes of the Committee shall be circulated to all members and to all members of the Board of Directors save where the minutes concern decisions relating to individual executive directors.

6. Duties

- 6.1 The Committee shall:
- (i) Appoint and, if necessary, dismiss the Chief Executive of the Trust;
 - (ii) Determine the total individual remuneration package for the Chief Executive, including bonuses (if any), pension rights and compensation payments. In doing so, the Committee shall follow the principles set out in 6.4 (v) to (ix) below with respect to executive directors other than the Chief Executive and 6.6 below;
 - (iii) Appoint, and, if necessary, dismiss the executive directors, taking into account the advice of the Chief Executive. The Committee shall not make an appointment to an executive director position which the Chief Executive does not support, rather a further recruitment process shall commence for the role in question;
 - (iv) Ensure Executive and Non-Executive Directors are 'fit and proper persons' as defined in regulations, through the appointment and appraisal processes;

- (v) In consultation with the Chairman of the Board of Directors and the Chief Executive, determine the total individual remuneration package of each executive director other than the Chief Executive, including bonuses (if any), pension rights and any compensation payments. In doing so, the Committee shall:
- (vi) Ensure that the levels of remuneration are sufficient to attract, retain and motivate executive directors of the quality required to run the Trust successfully. They shall, however, avoid paying more than is necessary for this purpose;
- (vii) Judge where to position the Trust relative to other NHS Trusts, NHS foundation trusts and comparable organisations. Such comparisons, however, shall be used with caution in view of the risk of an upward ratchet of remuneration levels with no corresponding improvement in performance;
- (viii) Be sensitive to pay and employment conditions elsewhere in the Trust, especially when determining annual salary increases;
- (ix) Ensure that neither the Chief Executive nor any other executive director is involved in deciding his or her own employment arrangements, including their remuneration; and
- (x) Ensure that where executive directors or senior management are involved in advising or supporting the Committee, care is taken to recognise and avoid conflicts of interest;

6.2 In consultation with the Chief Executive, agree and monitor the level and structure of remuneration for senior management, the definition of which shall be determined by the Committee but shall normally include the first layer of management below Board of Director level;

6.3 Decide if a proportion of each executive director's remuneration shall be structured so as to link reward to corporate and individual performance.

If the Committee decides that there should be such a link, then any performance-related elements of the remuneration of executive directors shall be designed to align their interests with those of patients, patients and taxpayers and to give these executive directors keen incentives to perform at the highest levels.

In designing any schemes of performance-related remuneration, the Committee shall:

- (i) consider whether the executive directors should be eligible for annual bonuses. If so, performance conditions shall be relevant, stretching and designed to match the long-term interests of the public. Upper limits shall be set and disclosed;
- (ii) ensure that pay-outs or grants under any incentive schemes are subject to challenging performance criteria reflecting the objectives of the Trust. Consideration shall be given to criteria which reflect the performance of the Trust relative to a group of comparator trusts in some key indicators;
- (iii) take into account that, in general, only basic salary should be pensionable; and

- (iv) consider the pension consequences and associated costs to the Trust of basic salary increases and any other changes in pensionable remuneration;
- 6.4 Ensure that contractual terms on termination and any payments made:
- (i) are lawful, consistent with the requirements of the Public Interest Disclosure Act (PIDA), contain no inappropriate restrictions and are otherwise within the powers of the Trust, and, prior to any settlement being agreed, have been considered and approved by the Trust Development Authority, Department of Health and HM Treasury if required.
 - (ii) the Committee will approve severance payments for all senior staff, and payments for junior staff in excess of £50k, prior to TDA approval; approve payments for junior staff for payments between £25k and £49k (where TDA approval is not required); note the Chair's approval of payments for junior staff for payments between £10k and £24k (where TDA approval is not required); and note the Operational Director of Human Resources and Chief Financial Officer's approval of payments for junior staff for payments between £1k and £9k (where TDA approval is not required)
 - (iii) represent value for money within the meaning set out in HM Treasury and Department of Health guidance;
 - (iv) are fair to the individual;
 - (v) do not reward failure; and
 - (vi) fully recognise the duty to mitigate loss;
- 6.5 Agree the policy for authorising claims for expenses from the Chairman of the Board of Directors and executive directors;
- 6.6 Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 6.7 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any independent remuneration consultants who advise the Committee. Where remuneration consultants are appointed, a statement shall be made available of whether they have any other connection with the Trust; and
- 6.8 Obtain reliable, up-to-date information about remuneration in other Trusts and comparable organisations.
- 7. Reporting responsibilities**
- 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 produce an annual report of the Trust's remuneration policy and practices which shall form part of the Trust's annual report.

Nomination and Remuneration Committee: Standing Agenda

1. General Business

- Chairman's welcome and apologies for absence
- Declaration of interests
- Minutes of previous meeting
- Agreed actions tracker

2. Executive pay structure (as per timetable below)

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

3. Nominations & Terminations (as per timetable below)

- Succession planning
- Selection/termination process

4. Exit Packages (as per timetable below)

- Oversight of exit packages
- High value exit packages

5. General

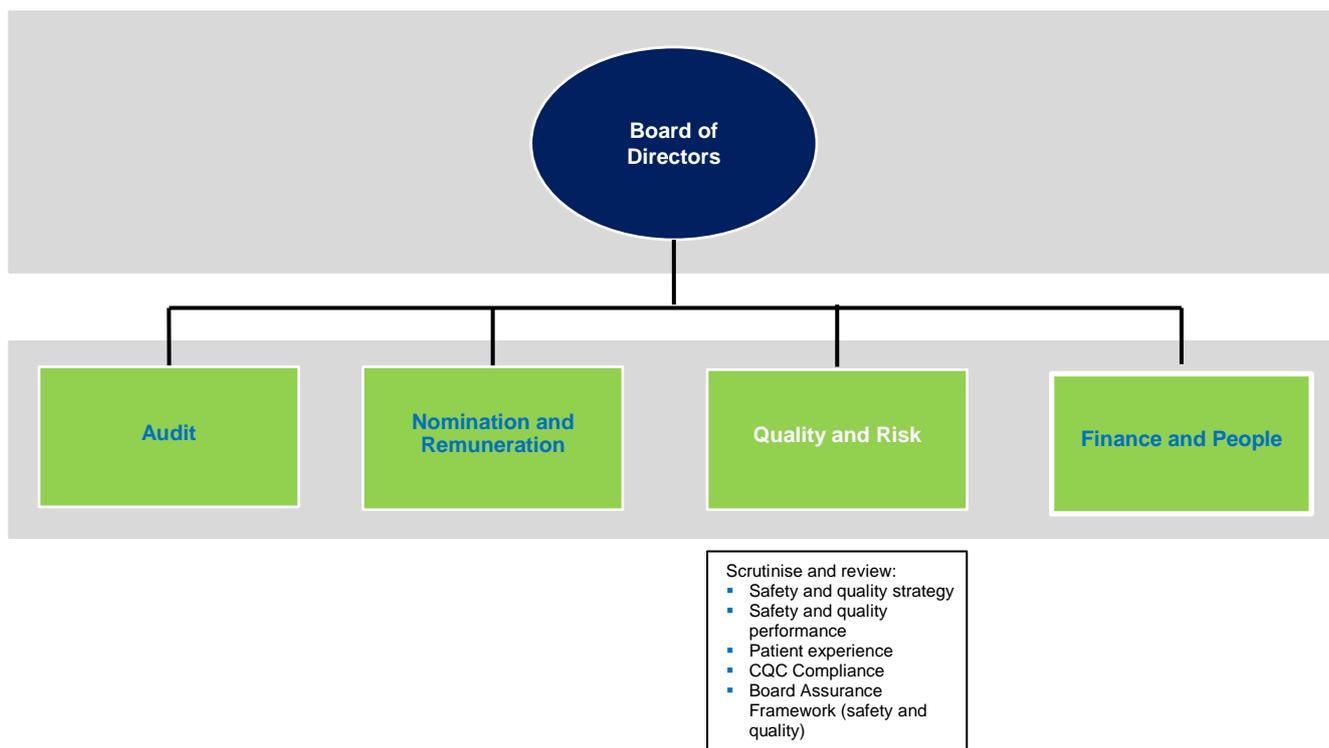
- Issues to report to the Board of Directors
- Any other business
- Date of next meeting

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

Nomination and Remuneration Committee Timetable	January	April	July	October
1. Prepare an annual report to the Board of Directors as part of the Trust annual report			✓	
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		AS REQUIRED		
6. Determine the total individual remuneration packages		AS REQUIRED		
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		
13. Approve high value exit packages as required		AS REQUIRED		
14. Review exit packages		AS REQUIRED		
Benchmarking				
15. Obtain reliable up-to-date information about remuneration in other Trusts and comparable organisations	✓			

Chapter 6 Quality and Risk Committee



Quality and Risk Committee: Terms of Reference

1. Background

- 1.1 The Quality and Risk 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:
 - Assure the Board of Directors on the on-going development and delivery of the Trust’s Safety and Quality Strategy and the safety and quality of services within the Hospital.

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) Medical Director;

(iii) Chief Nurse;

(iv) Deputy Medical Director (Safety and Quality)

3.2 The Committee may invite other Trust staff to attend its meetings as appropriate.

3.3 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 Quality and Risk Committee to all members of the Board of Directors.

3.4 The Chairman of the Committee shall be a non-executive director appointed by the Board of Directors.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be three, which shall include at least one non-executive director and one 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 Director of Corporate Affairs will attend as Secretary for 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/or 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

- 6.1 The Committee shall undertake its functions by:

Strategy

1. Ensuring the on-going development and review of the Trust Safety, Quality and Patient Experience Strategy;
2. Ensuring that the Trust's overall strategy and corresponding business plan is driven and informed by its Safety, Quality and Patient Experience Strategy;
3. Ensuring that the Trust has appropriate arrangements in place to deliver the highest standards of safety and quality governance, including clear roles and accountabilities from 'board to ward'; and receiving, by exception, assurance on Directorate quality governance;
4. Ensuring that there are systems and processes in place to elicit feedback from patients and other stakeholders and that they inform the Trust's Safety and Quality Strategy;
5. Receiving a performance report on agreed safety and quality goals in the form of a *Safety and Quality Scorecard*;
6. Reviewing progress with the Trust Quality Account priorities;
7. Reviewing progress and keeping under review actions arising from the Francis Inquiry and other relevant Inquiries;

Risk

8. Monitoring and reviewing the Safety and Quality Risks on the Board Assurance Framework (BAF) prior to submission to the Board of Directors.

Safeguarding

9. Receiving and reviewing reports on arrangements for safeguarding children and adults

Compliance

10. Monitoring compliance with the Care Quality Commission's Essential Quality and Safety standards; and any remedial action required;

11. Receiving assurance in respect of the delivery of any action plans arising from reviews or investigations into safety and quality by healthcare regulators, inspectorates or accrediting bodies

Patient Safety

12. Promoting a safety and quality focused culture throughout the Trust;
13. Receiving assurance on trends and themes and identified risks in respect of patient safety;
14. Receiving assurance, through the *Safety and Quality Scorecard* that the Trust obligations in respect of candour with patients and families have been met;
15. Receiving information on trends and themes from clinical negligence claims and inquests;

Patient Experience

16. Receiving and reviewing information on trends and themes from complaints, PALS contacts and patient feedback;

Cost Improvement Programmes

17. Receiving assurance from the Medical Director, Chief Nurse and Trust Delivery Unit on the safety and quality impact of the Trust efficiency and other programmes and advising the Board of Directors accordingly;

Effectiveness

18. Receiving assurance, by exception, of actions to address concerns arising from local and national clinical audits;

Quality and Safety submissions

19. Receiving and reviewing the Trust Quality Account prior to submission to the Board of Directors;
20. Advising the Board of Directors on the safety and quality elements of all foundation trust-related submissions to the Trust Development Authority and Monitor;

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 Clinical 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 in relation to risks identified in the Board Assurance Framework in relation to Safety and Quality; or delivery of the Safety and Quality Strategy to the Chief Executive 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.

7. Review

- 7.1 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.

Quality and Risk Committee: Standing Agenda

1. General Business

- Chairman's welcome and apologies for absence
- Declaration of interests
- Minutes of previous meeting
- Agreed actions tracker

2. Safety and Quality

- Patient Safety
- Patient Experience
- Report from Executive Safety and Quality Committee
- External reviews (as required)

3. Compliance

- CQC Compliance report (bi-monthly)

4. Strategy

- Safety and Quality Strategy (six-monthly)
- Quality Account priorities (six-monthly)

5. Risk

- Board Assurance Framework (quarterly)

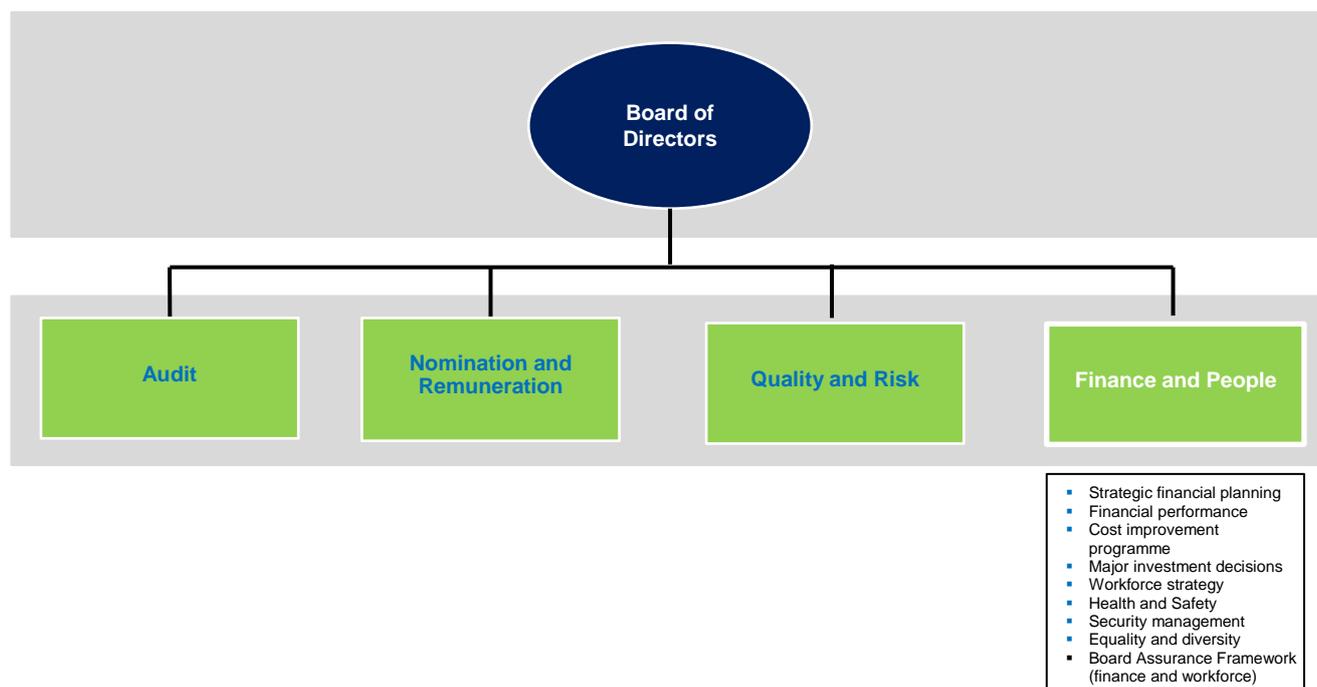
6. General

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

The Committee shall meet bi-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.

Quality and Risk Committee	All meetings	Quarterly	Bi-annually	Annually
Safety and quality				
1. Report from Executive Safety and Quality Committee	✓			
2. Patient experience report	✓			
3. Patient safety report	✓			
4. NICE compliance			✓	
5. Clinical audit and effectiveness			✓	
6. CQUINs				✓
7. Safeguarding children and adults			✓	
8. Litigation				✓
9. Quality impact assessments				✓
10. External inspections			✓	
Compliance				
11. CQC Compliance	✓			
Strategy				
12. Quality Accounts				✓
13. Quality and Safety Strategy				✓
14. Quality Accounts progress report			✓	
Risk				
15. Board Assurance Framework		✓		

Chapter 7 Finance and People Committee



Finance and People Committee: Terms of Reference

1. Background

- 1.1 The Finance and People 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 Finance and People Committee is to provide assurance to the Board of Directors in the following areas:
- (i) strategic financial and workforce matters;
 - (ii) implementation of the People and Well-Being strategy as agreed by the Board
 - (iii) delivery of in-year financial plans and cost improvement plans;
 - (iv) the Trust’s financial and investment policies;
 - (v) long-term financial sustainability, capital investment, delivery of significant projects and financial sustainability; and
 - (vi) the Trust’s estates strategy
 - (vii) health and safety in relation to the Trust’s estate, through compliance with industry standards and implementation of effective internal controls around the health and safety of staff.

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;
 - (ii) Chief Financial Officer;
 - (iii) Director of Strategy and Change
 - (iv) Operational Director of Human Resources;
- 3.3 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.

4.5 Where a decision is required in relation to the duties of the Committee, and outside a normal meeting of the Committee, it shall be exercised by the Committee Chairman having consulted at least one non-executive and one executive member. This shall be reported to the next formal meeting of the Committee.

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 Director of Corporate Affairs will provide a Secretary for the Committee.

5.3 Meetings of the Committee shall be summoned by the Director of Corporate Affairs 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 Strategic finance and workforce matters

The Committee shall review and assure the development of strategic financial and workforce plans prior to their presentation to the Board of Directors for approval, making recommendations to the Board as part of this assurance process.

6.2 Implementation of the People and Well-Being strategy

The Committee shall:

- review the effectiveness of the implementation of the People and Well-Being strategy agreed by the Board of Directors and provide assurance that appropriate progress is being made in delivering the aims of the document; and
- provide oversight of the overall flexibility of resources, total staff costs and staff development.

6.3 Raising Concerns (Whistle-blowing)

The Committee shall:

- Ensure that an effective Raising Concerns (Whistle-blowing) policy is established together with a staff engagement strategy to support implementation of the policy

6.4 Delivery of in-year financial plans and the efficiency plan

The Committee shall scrutinise and review delivery of in-year financial plans and the cost improvement plans and provide assurance to the Board of Directors that appropriate action is being taken to ensure their delivery.

6.5 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 sustainability and performance of the Trust by ensuring that financial plans are disseminated and understood across the Trust. Prior to their submission to the Board of Directors the Committee shall review and make recommendations to the Board on:

- (i) the financial policies of the Trust annually;
- (ii) the Trust's medium and long-term financial strategy, in relation to both revenue and capital, cash, and liquidity, including overseeing the development of financial plans for the Trust's foundation trust application; and
- (iii) the Trust's annual budget and associated financial targets.

The Committee shall also provide assurance to the Audit Committee on matters relating to the development and implementation of high levels of financial control embedded into operational management of the Trust.

6.6 Investment policy, strategic projects, 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:
 - a) establish the overall methodology, processes and controls which govern investments;
 - b) ensure that robust processes are followed; and
 - c) evaluate, scrutinise and monitor investments;
2. approve and review the Trust's treasury management and working capital policy annually or as required;
3. approve and review the Trust's procurement strategy
4. approve proposals for major business cases in accordance with the delegated limits as defined in the Trust Standing Financial Instructions (SFIs) and monitor the work of the Investment and Prioritisation Group for lower value investments;

5. review the annual capital plan and monitor progress against the capital plan through highlight and exception reports from the Capital Programmes Review Group;
6. 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;
7. monitor implementation of major projects (>£5m). This shall include:
 - (i) receiving exception reports from the Capital Programme Review Group (6.6.5)
 - (ii) ensuring the project is appropriately evaluated; and lessons learned and disseminated as required
 - (iii) ensuring propriety in placing and management of contracts;
 - (iv) and ensuring risk assessment and management strategies are in place.

6.7 Estates strategy

The Committee shall review and make recommendations to the Board of Directors on the Trust's estates strategy.

6.8 Health and safety and fire safety

The Committee shall ensure 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. The Committee shall also ensure that appropriate fire safety arrangements are in place and will receive assurance of compliance with the Trust Fire Safety policy and supporting legislation, codes of practice or other guidance.

6.9 Security Management

The Committee shall ensure that appropriate security management arrangements are in place and will monitor and ensure compliance with Secretary of State Directions regarding security management matters

6.10 Equality, Diversity and Human Rights

The Committee shall oversee and receive assurance that the Trust Equality, Diversity and Human Rights Policy along with the Four Year Equality Plan and action plans are being implemented and applied throughout the organisation. The Committee shall receive and consider the Equality Annual Report prior to publication and report to the Board on its findings.

6.11 Board Assurance Framework

The Committee shall review the finance and workforce risks within the Board Assurance Framework, quarterly and prior to submission of the BAF to the Board of Directors. It will horizon scan to determine whether any other strategic finance & workforce risks should be identified and included in BAF

6.12 **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.

6.13 **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 Chair 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 the Executive team 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

- 8.1 The Committee will review its terms of reference annually to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board of Directors for approval.

Finance and People Committee: Standing Agenda

1. General Business

- Chairman's welcome and apologies for absence
- Declaration of interests
- Minutes of previous meeting
- Agreed actions tracker

2. In-year financial performance

- Report from Chief Financial Officer

3. CIP delivery

- Report from Delivery Unit

4. Workforce

- Report from the Operational Director of Human Resources

5. Investment and Change

- Proposals for major business cases
- Report from the Change Board

6. Risk

- Health and Safety (in accordance with Committee schedule)
- Fire Safety (in accordance with Committee schedule)
- Security Management (in accordance with Committee schedule)

7. General

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

The Committee shall meet bi-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.

Finance and Workforce Committee	All meetings	Quarterly	Bi-annually	Annually
CIP delivery				
1. CIP delivery	✓			
In-year financial performance				
2. Board finance report	✓			
3. Activity and contract performance	✓			
4. SLM report		✓		
Financial planning				
5. Annual business plan				✓
6. Annual budget planning				✓
7. LTFM report			✓	
8. Liquidity strategy				✓
9. Treasury management policy				✓
Investment				
10. Business Cases	✓			
11. Change Board	✓			
Workforce				
12. HR dashboard	✓			
13. National staff survey			✓	
14. HR strategy		✓		
Equality and diversity				
15. Equality and diversity			✓	
Risk				
16. Health and Safety		✓		
17. Fire safety		✓		
18. Security management			✓	
19. Board Assurance Framework		✓		

Chapter 8 Charitable Funds Committee

Terms of Reference

1. Background

- 1.1 Brighton and Sussex University Hospitals NHS Trust (“the Trust”) is the trustee of the Brighton & Sussex University Hospitals NHS Trust Charitable Fund, Registered Charity 1050864 (“the Charity”). This includes the following subsidiaries:
- Hove General Hospital Charitable Fund (1050864/1);
 - Sussex Eye Hospital General Fund (1050864/2);
 - Royal Sussex County Hospital General Fund (1050864/31);
 - Brighton General Hospital Charitable Fund (1050864/4); and
 - Brighton and Sussex University Hospitals NHS Trust General Charitable Fund (1050864/5).
- 1.2 As trustee, the Trust is responsible for administering the charity in accordance with its governing document, a Declaration of Trust made on 8 September 1995.
- 1.3 Paragraph D 15) of the governing document gives the Trust, as trustee, the power to make regulations from time-to-time, within the limits of the governing document, for the management of the Charity and for the conduct of its business.
- 1.4 In furtherance of paragraph D 15), the Trust, as trustee, has resolved to establish a Charitable Funds Committee (“the Committee”) to administer the charity in accordance with the governing document, in accordance with the strategy, priorities and budget agreed by the trustee.

2. Membership

- 2.1 The members of the Committee shall be:
- (i) Three non-executive directors, one of whom shall be appointed as the Chairman of the Committee
 - (ii) Chief Financial Officer
 - (iii) Chief Nurse.

In attendance

- 2.2 The Director of Corporate Affairs and Assistant Director of Finance will be in attendance at the Committee.

3. Secretary of the Committee

- 3.1 The Director of Corporate Affairs or their nominee shall act as the Secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be three, which must include one Non-Executive member and one Executive member.
- 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 3.1 within one half hour from the time appointed for the meeting; or
 - (iii) 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.
- 4.5 Where in the opinion of the Committee Chairman significant matters require approval by the Committee between formal meetings, papers will be circulated by the Secretary of the Committee for approval by correspondence. Any matter capable of being passed by the Committee at a meeting may instead be passed by written confirmation given by a majority of the members of the Committee, with the Chairman having the power to cast a second or casting vote in the same manner as set out at paragraph 6.8 below with respect to decisions at a duly convened meeting.

5. Meetings

The Committee shall meet quarterly and at such other times as the Chairman of the Committee shall require.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman.
- 6.2 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 Committee no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

7. Decisions of the Committee

- 7.1 Decisions of the Committee shall be taken by resolution and recorded in the minutes of the meeting at which such resolution is passed.

- 7.2 Without prejudice to the provisions of this paragraph, declaration by the presiding Chair at the meeting that a resolution has or has not been carried, and entered in the minutes of the meeting, shall be conclusive.
- 7.3 Subject to paragraph 6.10, every member of the Committee shall have one vote.
- 7.4 Any member is entitled to call for a vote.
- 7.5 Where a decision of the Committee requires to be voted upon it shall be determined by a majority of the votes of the members of the Committee present and voting on the question.
- 7.6 Voting shall be decided on a show of hands.
- 7.7 Any member of the Committee may request his or her vote or abstention to be recorded in the minutes.
- 7.8 Where the votes are equal on any resolution or question, the presiding Chair of the Committee shall have a second or casting vote.

8. Minutes of meetings

- 8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 8.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

9. Duties

- 9.1 The Committee shall administer the charity in accordance with the governing document, a copy of which is attached at Appendix 1, and the strategy, policy and spending priorities for the Charity set by the trustee.
- 9.2 The Committee will:
- Oversee the management of charitable funds in accordance with the budget, priorities and spending criteria as determined by the Board of Directors
 - Ensure that the requirements of the Trustee Act 2000, Charities Act 1993 and Charities Act 2006, and relevant guidance is followed
 - Ensure effective financial controls are established and monitored for the expenditure of charitable funds
 - Receive reports from the appointed Charity investment advisers, monitor Charity investments and ensure Charity policies for investment are followed
 - Monitor and review the scheme of delegation to fund managers and ensure financial procedures reflect delegated expenditure limits
 - Monitor the progress of charitable appeal funds
 - Prepare an annual report and annual accounts for approval by the Board of Directors

10. Reporting responsibilities

- 10.1 The Committee will ensure that the requirement of clauses F and G of the governing document with respect to the preparation and reporting of the charity's Annual Report and Annual Return to the Charity Commission is fulfilled.
- 10.2 The Chairman of the Committee will prepare a report to the Board of Directors on the business discussed at the Committee, following each meeting.

11. Review

- 11.1 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 for approval.

12. Authority

- 12.1 In fulfilling the objects of the charity, the Committee is authorised to exercise the powers set out at clause D of the governing document.
- 12.2 The Committee is authorised by the Board to seek any information it requires from any employee of the Trust in order to perform its duties.

Chapter 9 Executive Management Committees



The executive structure comprises a monthly **Change Board**, **Clinical Management Board** and **People Board** reporting to the **Executive Team**.

The **Executive Team (ET)** is the main committee for approval of Trust policy and procedure, and for discussing and agreeing major strategic and policy decisions prior to approval by the Board of Directors. The members of the ET are the executive directors and Director reports to the executive directors.

The **Clinical Management Board (CMB)** reports to the ET and is responsible for the delivery of operational, income and budgetary performance, co-ordination between clinical services, and changes to operational and clinical practice required as a result of decisions made by ET and the Board of Directors. The members of the CMB are the executive directors and clinical directors.

A **Change Board (CB)** reports to the ET, and its key functions comprise approving new change initiatives, subsequent plans to move into delivery, monitoring delivery of against delivery plans, and providing oversight to Trust-wide developments, including CIPs, agreed objectives and priorities. The Change Board will ensure alignment between programmes of work, and identify opportunities for improved efficiency and quality in the delivery of clinical services. The members of CB are drawn from the Executive Directors, other Directors and two appointed Clinical Directors.

The **People Board (PB)** reports to the ET and will monitor the effectiveness of the implementation of the People and Well-Being strategy and plan; ensure we have effective plans in place to deliver an affordable, flexible and modern workforce that meets the need of the current and future needs of the service and patients; and develop an employee brand and modern employment practices that facilitate the attraction and retention of a talented and capable workforce. The Board is chaired by the Director of Strategy and Change and will include two appointed Clinical Directors, the Head of Equalities, Human Rights and Diversity and Director of Education of Knowledge.

Chapter 10 Risk management responsibilities

- 9.1 The implementation of a sound system of internal control that supports the effective achievement of the Trust's corporate objectives is the personal responsibility of the Chief Executive as the Accounting Officer. The system of internal control in place in the Trust is designed to manage risk to the lowest reasonable level.
- 9.2 The Trust has implemented a risk management accountability structure which overlays the risk management strategy and ensures its effective delivery. The risk management strategy aims to implement a risk management framework which:
- (i) identifies, controls and mitigates risk or transfers them to third parties as appropriate;
 - (ii) ensures linkages between the assurance framework, operational systems and business planning processes leading to integration with the Trust's strategic objectives;
- 9.3 All staff are responsible for delivering the risk management strategy, in particular, for their own safety and for ensuring risks to the organisation, colleagues, patients and visitors are minimised.
- 9.4 The role of the Board of Directors, its Committees and the Executive Management Board is summarised below:

9.4.1 Board of Directors

The Board of Directors is responsible for identifying, evaluating and managing strategic risks. In order to ensure that these are managed appropriately within the Trust, the Board of Directors is provided with evidence-based assurance on the adequacy of the Trust's processes for managing risk so that objectives can be achieved. To support the governance and risk management strategy, the Trust continues to develop and refine a comprehensive Board Assurance Framework and risk register where details of risks and mitigating action are recorded. Each year, the Chief Executive is required to review the effectiveness of the system of internal control and to publish An Annual Governance Statement. The Board of Directors shall also consider insurance arrangements and cover held by the Trust, including arrangements for the cover of Board Directors.

9.4.2 Audit Committee

On behalf of the Board of Directors, the Audit Committee has primary responsibility for reviewing the establishment and maintenance of an effective system of corporate governance, risk management and internal control across the whole of the Trust's activities that supports the achievement of the Trust's corporate objectives.

The Audit Committee, whose membership is drawn exclusively from independent non-executive directors, provides independent scrutiny of the arrangements in place and is supported by the work programmes of internal and external audit. This ensures independence from executive and operational management.

9.4.3 Quality and Risk Committee

On behalf of the Board of Directors, the Quality and Risk Committee has primary responsibility within the Trust for safety and quality assurance of the clinical services

provided. It is supported by the work programme of the Executive Safety and Quality Committee.

9.4.4 **Finance and People Committee**

On behalf of the Board of Directors, the Finance and People Committee has primary responsibility for financial and workforce-related risks and assuring the Board of Directors that appropriate arrangements are in place to deliver in-year financial plans and the efficiency plan.

9.4.5 **Executive Management Committees, Clinical and Corporate Directorates**

The Executive Management Committees are tasked with oversight of the operation, completeness and accuracy of the risk management process and shall provide the Board of Directors with assurance on the effective development of the corporate risk register. The Executive Team shall review the corporate risk register on a quarterly basis to assess the appropriateness of the risks recorded, the correct utilisation of risk metrics and the actions to be implemented.

The Executive Team shall receive assurance from Clinical and Corporate Directorates that they have identified and managed their respective risks through local and project risk registers and flagged significant risks to the Executive Directors for development of the corporate risk register.

Local risk registers shall be managed and reviewed by Clinical and Corporate Directorates. They shall review the local risk register at each meeting and ensure that the risk definitions, ratings and associated actions are appropriate.

9.5 The BSUH Risk Management Strategy sets out the risk management arrangements in more detail.

Appendix 1 BSUH Code of Conduct

1. BSUH 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. It should be read alongside the Declaration of Interests Policy; Gifts, Hospitality and Sponsorship Policy; Anti-Fraud and Corruption Policy; and the Trust *Values and Behaviours*. <http://nww.bsuh.nhs.uk/working-here/foundations-for-success/values-and-behaviours/our-values-and-behaviours/>. This Code fully acknowledges and accepts the Trust’s responsibilities under the UK Bribery Act 2010.
2. This Code relates to the conduct of the Chairman, Chief Executive, members of the Board of Directors, Committee Members and members of the Executive Team. References below to the Board of Directors shall equally read to apply to Committee Members and members of the Executive Team. 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 BSUH at all times.
3. Members of the Board of Directors agree to be subject to this Code of Conduct. Anyone 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 BSUH. 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 BSUH corporately, observe the seven principles of public life set out by the Committee on Standards in Public Life (“the Nolan Principles”):
 - 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;
 - 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;
 - 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;
 - 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;

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;

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

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

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

7. Equality and Diversity

7.1 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.

7.2 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.

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

8. 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 Director of Communications), before responding to media enquiries with respect to BSUH. 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 BSUH policy. Neither shall any publication or public statement bring the Trust into disrepute. The Chairman and Board members are not, however, restricted from access to the media in their personal non-BSUH 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 Director of Communications for advice.

9. Conflicts of interest

- 9.1 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 BSUH operates in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever possible.
- 9.2 If a member of the Board of Directors 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 considered at a meeting, 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.
- 9.3 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.
- 9.4 If a member of the Board of Directors 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 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.
- 9.5 Where the Chairman presiding at the meeting has a relevant interest then he shall advise the 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 shall be asked to chair the discussion of the relevant agenda item.
- 9.6 BSUH employees who are not members of the Board but who are in attendance at a meeting of the Board shall declare interests in accordance with the same procedures as for those who are members of the Board. Where the Chairman presiding at a meeting rules that a potential conflict of interest exists, any BSUH employee so concerned shall take no part in the discussion of the matter and may be asked to leave the meeting by the Chairman.

- 9.7 A member of the Board or BSUH employee shall be subject to the procedural arrangements for dealing with conflicts of interest as set out below.
- 9.8 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.
- 9.9 The Director of Corporate Affairs shall keep this Register. Members of the Board 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 BSUH's website.
- 9.10 Every year, the Director of Corporate Affairs shall confirm with members of the Board 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.
- 9.11 It shall be confirmed in BSUH's annual report that it has complied with these procedural arrangements.
- 9.12 Members of the Board and employees to whom this Code applies shall register the following interests:
- (i) remunerated employment, office or profession other than with BSUH where there is any kind of relationship with the National Health Service;
 - (ii) other regular sources of remuneration with any connection to the National Health Service;
 - (iii) directorships, whether remunerated or not of companies that have any kind of relationship with the National Health Service; 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.
- 9.13 From time to time a member of the 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 BSUH duties. As well as keeping their entry on the register up to date, they shall disclose to the Director of Corporate Affairs 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.
- 9.14 The minutes of any BSUH Board, Committee or Executive Management Committee meeting shall note the disclosure of any such conflicts and subsequent withdrawals from discussions. In addition, the Director of Corporate Affairs shall keep a permanent record of all such disclosures of interests made by any member of the Board member or employee. In considering whether to disclose such an interest, a member of the 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.
- 9.15 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 BSUH?
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?

9.16 In the event that a member of the Board 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 Director of Corporate Affairs with an indication of the extent to which the paper has been read.

9.17 If a member of the Board 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 permits, participate in such discussions as provided for elsewhere in this Code of Conduct.

10. Gifts and Hospitality

10.1 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 Director of Corporate Affairs who 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.

10.2 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 or Director of Corporate Affairs 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 BSUH stakeholders, and which might therefore inform or promote the work of BSUH, is generally acceptable;
2. work-related hospitality from a single stakeholder is acceptable where it can clearly be seen to be of value to BSUH'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 BSUH, 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.

10.3 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.

Appendix 2 Best practice guidance

NHS Leadership Academy

The Healthy NHS Board: Principles for Good Governance, 2013

www.leadershipacademy.nhs.uk

Monitor – Independent Regulator of NHS Foundation Trusts

The NHS Foundation Trust Code of Governance, July 2014.

Risk Assessment Framework, 2014.

Audit Commission

Corporate Governance Framework, July 2011

Financial Reporting Council

UK Corporate Governance Code, June 2010

<http://www.frc.org.uk/corporate/ukcgcode.cfm>