Board of Directors Meeting Report

Subject: **Corporate Governance Statement – Self Certification**

Date: **6th July 2016**

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1. Background

The Risk Assessment Framework (RAF) requires Foundation Trusts to submit both a 2-year Operational Plan and a 5-year Strategic Plan to NHSI, as part of the annual planning process. For 2016/17 NHSI required Foundation Trusts to submit a 1 year annual plan. NHSI uses the information provided in these documents primarily to assess the risk that an NHS Foundation Trust may breach its licence in relation to finance and governance. NHSI will also assess the quality of the underlying planning processes.

Part of this annual planning process is the Board Statements. The Statements require the Board's consideration and certification.

The Board Statements include a number of different statements and certifications relating to sections of the Risk Assessment Framework, provider licence and Health and Social Care Act 2012, and are contained in this self-declaration

<u>30 June 2016 Submission</u>

- Corporate Governance Statement – confirming compliance with condition FT (4) of the provider licence;
- Certification for Academic Health Science Centres (AHSC) – as required by Appendix E of the Risk Assessment Framework (only required for Trusts that are part of a joint venture or AHSC), and
- Training of governors statement – as required by s151(5) of the 2012 Act. *(relates to the requirement for Foundation Trusts to ensure that Governors are equipped with the skills and knowledge they require to undertake their role).*

2. Introduction:

In accordance with NHSI's Risk Assessment Framework, to comply with the governance conditions of their licence, NHS foundation trusts are required to provide a statement (the corporate governance statement) setting out:

- any risks to compliance with the governance condition; and
- actions taken or being taken to maintain future compliance.

Where facts come to light that question information in the corporate governance statement, or indicate that an NHS foundation trust may not have carried out planned actions, NHSI is likely to seek additional information from the NHS foundation trust to understand the underlying situation. Depending on the trust's response, NHSI may decide to investigate further to establish whether there is a material governance concern that merits further action. The Trust is expected to submit its declarations on 30 June 2016.

3. Self-certification process

The Board declarations are made through the Corporate Governance Statements which are provided in the Risk Assessment Framework. The Board is supported in the Self-Certification and Declaration process by the work of the Board and its prospective focus going forwards; reporting mechanisms, and Board committee work alongside independent views and inspections of patients, regulators, consultants and professional bodies. Proposed sources of evidence to substantiate the statements in the Board's declaration is included in an appendix to this paper.

Board members will need to reflect on their own sources of assurance, assess the adequacy and sufficiency of the evidence used to support the corporate governance statement included in this report and determine the adequacy and appropriateness of assurances necessary to self-certify.

In the event that a Foundation Trust is unable to fully self-certify, it must provide commentary explaining the reasons for the absence of a full self-certification and the action it proposed to take to address the issues.

4. Recommendations

Members are invited to:

- Consider and certify each Statement and if unable to do so, agree what supporting commentary Board wishes to submit
- Approve (including any amendments agreed) the Corporate Governance Statement for submission to NHSI
- Consider how the work of the Committees might better support assurances concerning this annual declaration for the future and ensure the agendas and work of the committees is driven accordingly.

Appendix: proposed evidence for self certification 2016/17

Constitution updated to comply with legislation
Corporate Governance section of Annual Report outlining Code of Governance compliance
Audit and Board approved Annual Governance Statement and Auditors opinions
Corporate Governance Review and revised governance structures implemented Dec 2015
Board approve committee structure, Terms of Reference reviews, Annual workplan updates
Escalations part of agendas, minutes from committees circulated to Board
Integrated Performance Reporting to Board
Staff engagement and communication, enhanced through QIP workstream
Board member appraisals & Personal development plans
Board member training records
Board Committee meeting focus – Quality, performance, control and risk
IG Toolkit self-certification and implementation work
Standards of Business Conduct implemented, monitored by the Audit Committee and communicated across the Trust
External Audit Opinion – annual report and quality accounts
Director of Internal Audit Opinion and audit of quality indicators
Board walk rounds, IAT visits
Internal Audit Plan
CQC reports and action plans to address concerns
Mandatory training compliance – monitored by Board
Appraisal compliance – monitored by Board
Whistleblowing policy, freedom to speak guardians recruited, Senior Independent Director reports to Board
Risk Management, Strategy approved and implemented, process enhanced, divisional risk registers reviewed
BAF monitoring through risk committee, chaired by CEO.
BAF risks allocated to board committees for scrutiny and monitoring
Divisional Structures revised and implemented
External Audit Opinion – Use of Resources
Director of Internal Audit Opinion
Integrated Performance Report
Monthly Finance reports – Finance Committee
CIP Plans and monitoring through PMO
Trust's Going Concern status
Quarterly compliance reports to NHSI and robust self-declaration process
Monthly Performance review meetings with NHSI
Annual plan and business planning process
Monthly Divisional Performance meetings and Service Line meetings
Enhanced Budget setting process
Quality Improvement Plan implemented and robustly monitored to ensure actions embedded.
Commissioning of consultants to review Trust operations, (KPMG, BAF, PWC drivers of the deficit)
PLACE Audits – patient and governor involvement
Governor involvement through focussed committees, Safety & Experience Committee
Governor involvement in IAT visits
Friends and Family, surveys, patient feedback
CCG short notice/unannounced inspections; performance & quality meetings
Communication Boards on wards - link to performance improvement
Board of Director meeting minutes, evidencing debate and decisions regarding declarations and self assessments.
Monitor Risk ratings

Quality Strategy implemented
Quality Accounts – governor and Board engagement in priority setting
Exception reports relating to maintaining professional standards/ referrals to professional bodies etc.
CQC Registration Certificates
Quality reports to board, including complaints, claims and incident reports
Finance Committee – assurance role
Board finance reports (IPR)
Annual accounts – on plan performance
Review of going concern assumption
BAF – scrutiny of financial risks at Finance Committee
Internal audit core financial controls reviews
Divisional senior managers attend TMB
Board of Directors annual cycle of business (workplan)
Board Development
Quality account – External Audit opinion and stakeholder statements of support
Internal Audit focus to include data quality, validation processes within performance data collection processes
Partnership work, Better Together strategic alignment
Board Strategy Time out
Board Assurance Framework, strategic risks
NHSI's evaluation of Annual Plan
NHSI's Risk Rating
Mandatory training approved programme, implementation and monitoring
Annual reports, Health and Safety, Fire Safety, Safeguarding, Infection Control, scrutinised by Board Committees.
KPI's report to Board
Standards of Business Conduct; Register of Interests, Sponsorship & Hospitality Register
Staff & Patient Surveys
Trust policies on professional registration Recruitment and Selection
Board approved medical staff appraisal policy
Revalidation reports
Pre-employment checks
Fit and Proper Person test implemented and audited
Outcome of appraisals
Nomination and Remuneration Committees approved Terms of Reference
Details of training undertaken by NEDs and EDs
Executive team and individual coaching
Induction programme
Pre-employment checks; contractual conditions regarding other employment
Comprehensive Quality Improvement Plan process implemented, monitored and scrutinised by appropriate board committees
Patient Story and follow up at every board
Board line of sight – walk rounds, IAT visits
Quality Impact Assessments for CIP plans
Privacy Impact Assessments – Information Governance considerations
IG Toolkit compliance
CQUIN performance reports
CCG performance meetings
CCG Exec to Exec meetings
Complaints, Claims and incidents reports together with lessons learned and changes implemented
SI Reporting, monthly to Quality Committee
Annual Plan, Divisions, governors, CCG, OSC
Better Together; quality and performance meetings with CCG, media relations.

Newark Communities Healthy Partnership Group
Friends and Family Test
Patient Survey
Staff Survey
Patient feedback from Board Walk rounds and IAT visits
CoG Forum – independent, influencing agenda CoG and Committees
Governor feedback, PLACE audits, IAT visits, membership engagement
Governor Representatives on service improvement working groups eg. Maternity, Outpatients
Team Brief; iCARE, e-communications