

Council of Governors

Wed 20 October 2021, 17:30 - 19:30

The Edge, Riveredge, Wigan, WN3 5AB

Agenda

17:30 - 17:30
0 min
1. Chair and quorum
Information *Robert Armstrong*

17:30 - 17:30
0 min
2. Apologies for absence
Information *Robert Armstrong*

17:30 - 17:30
0 min
3. Declarations of interest
Information *Robert Armstrong*

17:30 - 17:32
2 min
4. Minutes of previous meeting
Decision *Robert Armstrong*
 Council of Governors Minutes - 22 July 2021.pdf (5 pages)

17:32 - 17:47
15 min
5. Chief Executive's report
Discussion *Silas Nicholls*
Presentation

17:47 - 18:07
20 min
6. NED reports
Discussion *NEDs*
Verbal item

18:07 - 18:37
30 min
7. The emerging landscape
Information *Richard Mundon*
Presentation

18:37 - 18:42
5 min
8. Annual report and accounts 2020/21
Receipt *Paul Howard*

We are not able to publish this until it has been laid before Parliament, which we expect to take place on or before 20 October 2021. An update will be provided prior to the meeting.


18:52 - 18:52
0 min

10. Consent agenda

10.1. Review of work plan

 CoG Work Plan 2021.pdf (3 pages)

10.2. Review of Code of Conduct

 Code of Conduct for Governors - Oct 2021 - Draft.pdf (5 pages)

10.3. Audit Committee terms of reference

 10.3 Audit Committee ToRs.pdf (8 pages)

11. Date, time and venue of next meeting

WRIGHTINGTON, WIGAN AND LEIGH TEACHING HOSPITALS NHS FOUNDATION TRUST

MINUTES OF A MEETING OF THE COUNCIL OF GOVERNORS (“the Council”)

HELD AT 5.30PM ON 22 JULY 2021

BY VIDEOCONFERENCE

Present:	Mr R Armstrong	Chair (in the Chair)
	Mr A Baybutt	Public Governor, Wigan
	Mr J Cavanagh	Appointed Governor, FT volunteers
	Mr L Chamberlain	Public Governor, Makerfield
	Ms J Coates-Topping	Public Governor, Makerfield
	Mrs D Garbutt	Appointed Governor, UCLAN
	Mrs P Gregory	Public Governor, Wigan
	Mr A Haworth	Public Governor, Leigh
	Mrs H Leatherbarrow	Staff Governor, All other staff
	Dr M Koriba	Public Governor, Rest of England and Wales
	Mrs L Lymath	Public Governor, Rest of England and Wales
	Mrs R Mellis	Public Governor, Rest of England and Wales
	Mr R Nash	Appointed Governor, Age UK
	Mr A Savage	Staff Governor, All Other Staff
	Dr S Shah	Appointed Governor, Local Medical Committee
	Mrs L Sykes	Public Governor, Leigh
	Ms V Stevens	Public Governor, Rest of England and Wales
	Ms M Skilling	Public Governor, Wigan
	Mr P Woods	Public Governor, Makerfield
	Mrs S Sephton	Public Governor, Leigh
In attendance:	Lady R Bradley	Non-Executive Director
	Dr S Elliot	Non-Executive Director
	Mrs N Guymer	Deputy Company Secretary (minutes)
	Mr P Howard	Director of Corporate Affairs
	Mr M Jones	Chair Designate
	Mr R Mundon	Director of Strategy and Planning
	Mr S Nicholls	Chief Executive Officer
	Mrs F Thorpe	Non-Executive Director
	Mrs L Warner	Mersey Internal Audit Agency

20/21 Chair and quorum

The Chair took the chair and noted that due notice had been provided to all governors and that a quorum was present. He therefore declared the meeting duly convened and constituted.

21/21 Apologies for absence

Apologies for absence were received from Mr B Anderton, public governor and Ms Sarah Howard, staff governor.

22/21 Declaration of interests

Dr Syed Shah advised the Council that his surgery used to accommodate ultrasonography services provided by Mediscan (Any Qualified Provider) but that now, the contract has been awarded to Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust.

No other attendees declared an interest in respect of any of the items to be considered during the meeting.

23/21 Minutes of previous meeting

The minutes of the previous meeting held on 19 January 2021 were **APPROVED** as a true and accurate record.

24/21 Chief Executive's update

The Chief Executive provided an update regarding the current pandemic situation, stating that the borough would likely soon be entering a fourth wave of the pandemic, with the North West of the country being disproportionately affected by both the pandemic and its after effects, a position now confirmed by public health data.

He described difficulties with capacity in emergency and urgent care, with over 300 patients being treated in the accident and emergency (A&E) department each day, despite that the service was designed to facilitate just 260 patients. He further described difficulties within mental health services and that a lack of capacity here is pushing patients to use accident and emergency care services. Overall, the borough is seeing significantly higher increases in emergency cases than other Trusts within the Greater Manchester Care Partnership (GM).

The main area of increase in attendance is with children, under the age of 18, who are most often presenting with breathlessness.

In respect of the COVID-19 patients, he advised that the number of positive patients has increased from 18 to 32 within the last few weeks and expressed concern that, should this increase continue, the need to redeploy staff to care for these patients could dramatically affect the recovery of elective services.

He was positive about the progress made to date in terms of elective recovery and explained that the Wrightington site would be used as an orthopaedic hub going forwards, taking on work from other Trusts around GM.

He went on to highlight additional issues in social care and paediatrics, particularly in light of the struggles in mental health and summarised that the lack of capacity poses a serious risk to children's health and wellbeing. He advised that work is being undertaken with Wigan Borough Clinical Commissioning Group to set out a way forwards, before winter pressures begin.

He concluded by explaining that the funding requirements for remedying the issues described have been identified and that both the Finance and Performance Committee and the Board of Directors will be approached shortly to consider approval of circa £3m of expenditure in that regard.

Mrs P Gregory highlighted that many patients are not able to access primary care in the way that they should be, suggesting that this is likely to be a contributing factor to the increase in urgent care demand. Mr P Woods agreed.

Mr J Cavanagh suggested that military personnel may be used to provide additional capacity, given the increasing severity of the situation. The Chief Executive responded to advise that this is being explored at GM level, although, in terms of support staff, rather than front line staff.

Mr L Chamberlain queried what percentage of people are arriving in A&E by ambulance. The Chief Executive clarified that this is around 30%.

Mrs S Sephton queried whether promotional work could be undertaken to alleviate pressure in A&E by diverting patients to Leigh Walk in Centre. The Chief Executive responded to clarify that some of the funding that he had mentioned will go towards increasing the hours of the walk-in centre and publicising this across the borough. He expressed concern however, that this may have the effect of attracting more patients who may otherwise have sought alternative routes of care, for example, 111.

Dr Syed Shah noted the difficulties within primary care, including recruitment, capacity and patient frustrations. He agreed to relay comments made to the Local Medical Committee and the Clinical Care Commissioners, as a member of both groups but emphasised that primary care providers are currently having to cope with similar pressures, as a result of the pandemic.

Mr M Koriba asked for clarity on the nature of the assistance provided by the Non Executive Directors to the Executive Team, throughout the pandemic. The Chief Executive confirmed that his team has been well supported by the Non Executive Directors, who have been flexible and amenable in order to ensure that relevant business is transacted, sometimes within shorter than usual timeframes and that patient needs are addressed promptly.

The Chair concluded the item by highlighting the importance of encouraging others to take up their vaccinations, which will go some way to assisting in alleviating pressures and is something that everyone can endeavour to do.

25/21 Non-Executive Directors report

The Chair introduced the Non Executive Directors and noted that a follow up workshop will be scheduled, where governors will have the opportunity to ask more detailed questions around the areas discussed.

The Ockenden Report

Dr S Elliot, Lead Non Executive Director for maternity services, noted that the report had been commissioned as a result of occurrences at Shrewsbury and Telford NHS Foundation Trust, of a significant number of deaths in the maternity department. He summarised the recommendations made, including the requirement that all NHS Trust Boards must include a Non Executive Director who has responsibility for maternity. He was pleased with the work undertaken by the maternity team at Wrightington Wigan and Leigh Teaching Hospitals NHS Foundation Trust (WWL), noting that the Trust are compliant with almost all of the requirements and that work is ongoing to meet any that are outstanding.

Safeguarding update

Lady R Bradley, lead Non Executive Director for safeguarding, provided a verbal update. She highlighted the statutory duty on clinical care commissioners to set up boards for both safeguarding adults and safeguarding children. These boards are responsible for taking assurance that safeguarding referrals are made appropriately. She noted the recent national concern that, due to pandemic pressures, safeguarding referrals were not being appropriately made. It had transpired that, in reality, there had been an issue with under reporting. In respect of the WWL, the Health Information System had been failing to properly deliver referrals. Once this issue was identified, a task and finish group was set up to facilitate resolution of the issue, to ensure that referrals were properly managed going forwards and that no harm had resulted from the system failures. She assured the Council that an assurance group has been set up to take the work forwards and that this group has satisfied itself that all of the policies and standard operating procedures are up to date and that the Care Quality Commissions' key lines of enquiry are met and are considered at every meeting.

26/21 Integrated care system update

The Chair noted that the Director of Strategy and Planning was present to provide an update. Since there had been little movement in this area it was agreed that, should there be a substantive update to provide at the time of the upcoming workshop, it would be discussed there instead.

27/21 Governor questions

In response to a query from Mrs P Gregory, it was clarified that, due to the delay of the annual meeting, the terms of office of any newly appointed governors would also be delayed, beginning on the day of that meeting.

No other questions were raised.

28/21 Workplan

The workplan, which had been circulated in advance of the meeting was considered by the Council and **APPROVED** for use going forwards.

29/21 Date, time and venue of next meeting

The next meeting of the Council of Governors will be held on 20 October 2021, 5.30pm by videoconference.

COUNCIL OF GOVERNORS MEETINGS/WORK PLAN 21/22

MONTH	DATE	PRESENTATIONS/REPORTS	STANDING ITEMS	ITEMS FOR DISCUSSION	FOR INFORMATION
October	20 October 2021 CoG Formal Meeting 17:30-19:30 The Edge		<ul style="list-style-type: none"> • Chair and quorum • Apologies for absence • Declarations of interest • Minutes of previous meeting • Workplan – consent agenda • 	<ul style="list-style-type: none"> • The emerging landscape - RM 	<ul style="list-style-type: none"> • Updated Code of Conduct for Governors • Annual report and account 2020/21
November	16 November 2021 CoG Informal Workshop 17:30-19:30 Zoom				
	17 November 2021 Annual Members Meeting 14:00 – 16:00 MS Teams	<ul style="list-style-type: none"> • Announcement of the results of the election and appointment of governors • Forward planning for FY 2021/22 	TBC	TBC	<ul style="list-style-type: none"> • Annual report and account 2020/21
January	20 January 2022 CoG Formal Meeting 17:15 – 19:15 Boardroom THQ	<ul style="list-style-type: none"> • Chief Executive’s update • Non-executive Directors’ reports 	<ul style="list-style-type: none"> • Chair and quorum • Apologies for absence • Declarations of interest • Minutes of previous meeting 	<ul style="list-style-type: none"> • Consider second tenure of Clare Austin 	
	Informal NED/Governor Catch Up				

	Details TBC				
February	Joint Workshop: Board of Directors and Council of Governors Details TBC				
	8 February 2022 Informal NED/Governor Catch Up 17:15 – 19:15 Boardroom THQ				
April	27 April 2022 CoG Formal Meeting 17:15 – 19:15 Boardroom THQ	<ul style="list-style-type: none"> • Chief Executive’s update • Non-executive Directors’ reports 	<ul style="list-style-type: none"> • Chair and quorum • Apologies for absence • Declarations of interest • Minutes of previous meeting 	<ul style="list-style-type: none"> • Workplan discussion 	
June	16 June 2022 Informal NED/Governor Catch Up 17:15 – 19:15 Boardroom THQ				
July	19 Jul 2022 CoG Formal Meeting 17:15 – 19:15	<ul style="list-style-type: none"> • Chief Executive’s update • Non-executive Directors’ 	<ul style="list-style-type: none"> • Chair and quorum • Apologies for absence • Declarations of interest • Minutes of previous 		<ul style="list-style-type: none"> • Receipt of Annual Report and Accounts

	Boardroom THQ	reports	meeting		
September	14 September 2022 Informal NED/Governor Catch Up 17:15 – 19:15 Boardroom THQ				
October	27 Oct 2022 CoG Formal Meeting 17:15 – 19:15 Boardroom THQ	<ul style="list-style-type: none"> • Chief Executive’s update • Non-executive Directors’ reports 	<ul style="list-style-type: none"> • Chair and quorum • Apologies for absence • Declarations of interest • Minutes of previous meeting 	<ul style="list-style-type: none"> • Nomination and Remuneration Committee report 	
November	22 November 2022 Informal NED/Governor Catch Up 17:15 – 19:15 Boardroom THQ				

Code of Conduct for Governors

1. Introduction

- 1.1 This code of conduct has been approved by the Council of Governors and sets out expected standards of conduct for Governors. It addresses both the requirements of office and governors' personal behaviour.
- 1.2 The code complements the foundation trust's constitution. The code should also be read in conjunction with any relevant documents issued by NHS Improvement and the Care Quality Commission.
- 1.3 Members of the foundation trust seeking election to the Council of Governors will be required to sign a declaration to confirm that they will comply with this code in all respects and that they support the foundation trust's objectives.

2. Qualifications for office

- 2.1 Throughout their period of office, Governors must continue to comply with the qualifications required to hold office as defined in the Constitution. Governors must advise the Company Secretary of any change in circumstances that may disqualify them from continuing in office as soon as they become aware of the change. Examples of this would include a Public Governor becoming an employee of the Trust or a Staff Governor leaving the employment of the Trust.
- 2.2 In particular, condition G4 of the foundation trust's Provider Licence requires Governors to be fit and proper persons, as defined within the licence. Governors are therefore required, on appointment and on an annual basis thereafter, to confirm in writing their eligibility to hold the office of Governor. Failure to do so within a reasonable timescale after being requested to do shall be considered a serious breach of this Code of Conduct.

3. Roles and functions

- 3.1 Governors must:
 - (a) adhere to relevant policies and support the foundation trust's objectives;
 - (b) act in the best interests of the foundation trust at all times;
 - (c) contribute to the workings of the Council of Governors in order for it to fulfil its role and function as defined in the constitution;
 - (d) recognise that their role is a collective one. Governors exercise collective decision making on behalf of all patients, members, local public and staff
 - (e) note that the functions allocated to Governors are not of a managerial nature; and

- (f) actively support the vision and aims of the Trust in developing as a successful NHS Foundation Trust.

4. Confidentiality

By signing this Code of Conduct, Governors agree that they will respect the confidentiality of any information provided to them which is not in the public domain, both during and after their term of office.

5. Conflict of interests

5.1 Governors must act with the utmost integrity and objectivity and in the best interests of the foundation trust in performing their duties. They must not use their position for personal advantage or seek to gain preferential treatment.

5.2 Any Governor who has a material interest in a matter must declare such interest to the Council of Governors and shall not:

- (a) vote on any such matter; or
- (b) be present during any discussion of the matter, except with the permission of the Council of Governors.

5.3 If there is any doubt as to whether a conflict of interest exists, advice must be sought from the Company Secretary.

5.4 Any Governor who fails to disclose any interest required to be disclosed must permanently vacate their office if required to do so by a resolution passed by a special majority (i.e. 75%) of the remaining Governors.

6. Council of Governors meetings

6.1 Governors have a responsibility to attend meetings of the Council of Governors. When this is not possible they should submit an apology to the Company Secretary in advance of the meeting.

6.2 In accordance with the Constitution, absence from the Council of Governors meetings without good reason, as determined by the Council of Governors, is grounds for disqualification. If a Governor fails to attend three consecutive Council of Governors meetings, his or her tenure of office is to be immediately terminated unless the Council of Governors is satisfied that the absence was due to a reasonable cause and that he/she will be able to start attending meetings again within such a period as they consider reasonable.

7. Personal conduct

7.1 Governors are required to adhere to the highest standards of conduct in the performance of their duties. In respect of their interaction with others, they are required to:

- (a) adhere to good practice in respect of the conduct of meetings and respect the views of other Governors, Directors and employees;
- (b) be mindful of conduct which could be deemed to be unfair or discriminatory;
- (c) treat the Board of Directors and other employees with respect; and

- (d) recognise that Governors, Directors and employees have a common purpose and adopt a team approach;

7.2 Governors must conduct themselves in such a manner as to reflect positively on the foundation trust.

8. Accountability

Governors are accountable to the membership and should demonstrate this by attending members' meetings and other key events.

9. Training and development

9.1 Training is essential for Governors, in respect of the effective performance of their role.

9.2 If a Governor refuses to undertake training which the Council of Governors requires all Governors to undertake, he/she may be removed by resolution passed by a special majority of the remaining Governors.

10. Visits to foundation trust premises

When Governors wish to visit the premises of the foundation trust in a formal capacity, as opposed to as service users in a personal capacity, the Governor shall liaise with the Company Secretary or his/her nominee to make the necessary arrangements. Governors must wear their ID badge when undertaking such visits and at all other times when carrying out duties as a Governor.

11. Non-compliance with this Code of Conduct

11.1 By signing this Code of Conduct, Governors acknowledge that non-compliance with this Code of Conduct may result in action being taken as follows:

11.1.1 Where misconduct takes place, the Chair shall be authorised to take such action as may be immediately required, including the exclusion of the person concerned from a meeting.

11.1.2 Where such misconduct is alleged, it shall be open to the Council of Governors to decide, by simple majority of those in attendance, to lay a formal charge of misconduct.

11.1.3 Notification to the Governor in writing of the allegations, detailing the specific behaviour, which is considered to be detrimental to the Trust, and inviting and considering their response within a defined timescale.

11.1.4 Inviting the Governor to address the Council of Governors in person if the matter cannot be resolved satisfactorily through correspondence

11.2 If a Governor is considered to have acted in a manner inconsistent with the Trust's Code of Conduct the Governor may be removed from the Council of Governors by resolution approved by not less than three-quarters of the remaining Governors present and voting at a General Meeting of the Council of Governors.

12. Adherence to the seven principles of public life

12.1 Governors must abide by the seven principles of public life (often referred to as the “Nolan principles”) which are:

- (a) **Selflessness.** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- (b) **Integrity.** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- (c) **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.
- (d) **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.
- (e) **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.
- (f) **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.
- (g) **Leadership.** Holders of public office should promote and support these principles by leadership and example.

CODE OF CONDUCT DECLARATION

I _____ confirm that I have read the attached Code of Conduct for Governors (“the Code”) and I agree to abide by Code.

I further confirm that I will:

- (a) seek to ensure that my fellow governors are valued as fellow colleagues and that their views are both respected and considered;
- (b) accept responsibility for my own actions;
- (c) show my commitment to working as a team member by working with all my colleagues in the NHS and the wider community;
- (d) seek to ensure that the membership of the constituency I represent is properly informed and given the opportunity to influence services where appropriate;
- (e) seek to ensure that no one is discriminated against because of their religion, belief, race, colour, gender, marital status, disability, sexual orientation, age, social and economic status or national origin;
- (f) comply with the foundation trust’s constitution;
- (g) respect the confidentiality of individual patients;
- (h) not knowingly make or permit, any untrue or misleading statement relating to my own duties or the functions of the foundation trust;
- (i) always consult the Director of Communications & Stakeholder Engagement before giving a response to a question from the media;
- (j) support and assist the Accountable Officer of the Trust in his/her responsibility to answer to regulators, commissioners and the public for the performance of the foundation trust.

If I am a member of any trade union, political party or other organisation, I recognise that I must declare this fact and that I will not be representing those organisations (or the views of those organisations) but will be representing the constituency (public or staff) that elected me.

Signed: _____

Print name: _____

Date: _____

Title of report:	Audit Committee terms of reference
Presented to:	Council of Governors
On:	20 October 2021
Presented by:	N/A – Consent agenda
Prepared by:	Paul Howard, Director of Corporate Affairs
Contact details:	T: 01942 822027 E: paul.howard@wwl.nhs.uk

Executive summary

The Audit Committee recently reviewed its terms of reference, which are attached to this report.

Provision C.3.2 provides that the Council of Governors should be consulted on the terms of reference, which should be reviewed and refreshed regularly.

The terms of reference were last reviewed in 2020 and aligned with best practice. The 2021 review was therefore intended to be more light touch and no amendments have been proposed.

Link to strategy

There are no direct links to the organisational strategy in this report.

Risks associated with this report and proposed mitigations

There are no risks associated with the content of this report.

Financial implications

There are no financial implications arising from the content of this report.

Legal implications

There are no legal implications to bring to the Council's attention.

People implications

There are no people implications arising from the content of this summary report.

Wider implications

There are no wider implications to bring to the Council's attention.

Recommendation

The Council of Governors is recommended to endorse the approach set out in this report.

TERMS OF REFERENCE

1. AUTHORITY

- 1.1. The Audit Committee (“the Committee”) is constituted as a standing committee of the Foundation Trust’s Board of Directors (“the Board”). Its constitution and terms of reference shall be as set out below, subject to consultation with the Council of Governors and amendment at future Board meetings.
- 1.2. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Committee.
- 1.3. The Committee is authorised by the Board to obtain outside legal or other independent professional advice. It is also authorised by the Board to request the attendance of individuals and authorities from outside the foundation trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

2. MAIN PURPOSE

- 2.1. The Committee has primary responsibility for monitoring the integrity of the financial statements, assisting the Board in its oversight of risk management and the effectiveness of internal control, oversight of compliance with corporate governance standards and matters relating to the external and internal functions.
- 2.2. The Committee shall provide the Board with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across the whole of the Foundation Trust’s activities both generally and in support of the annual governance statement.
- 2.3. The Board is responsible for ensuring effective financial decision-making, management and internal control including:
 - (a) Management of the Foundation Trust’s activities in accordance with statute and regulations; and
 - (b) The establishment and maintenance of a system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided and reliable financial information produced, and that value for money is continuously sought.

3. MEMBERSHIP

- 3.1. The Committee shall be composed of four (4) independent Non-Executive Directors and the Committee shall ensure that it has sufficient skills to discharge its responsibilities. At least one (1) member should have recent and relevant financial experience.
- 3.2. The Chair of the Foundation Trust shall not chair nor be a member of the Committee.
- 3.3. A quorum shall be formed on the attendance of three (3) Non-Executive Directors.

4. SECRETARY

- 4.1. The Company Secretary or his/her nominated deputy shall be secretary to the Committee.

5. ATTENDANCE

- 5.1. Only members of the Committee have the right to attend meetings of the Committee but the Chief Finance Officer, the Medical Director, the Counter-Fraud Specialist and the internal and external auditors shall generally be invited to attend routine meetings of the Committee.
- 5.2. Other executive directors and staff shall be invited to attend those meetings in which the Committee will consider areas of risk or operation that are their responsibility.
- 5.3. Other persons may be invited by the Committee to attend a meeting or part of a meeting so as to assist in deliberations.

6. FREQUENCY OF MEETINGS

- 6.1. Meetings shall be held at least four (4) times per year, with additional meetings being convened as necessary.
- 6.2. The external auditor shall be afforded the opportunity at least once per year to meet with the Committee without executive directors present.

7. DUTIES

- 7.1. With respect to the financial statements and the annual report:
 - (a) Monitor the integrity of the financial statements of the Foundation Trust, any other formal announcements relating to the Foundation Trust's financial performance and reviewing the significant financial reporting judgments contained in them;
 - (b) Review the annual statutory accounts before they are presented to the Board, in order determine their completeness, objectivity, integrity and accuracy. This review will cover but is not limited to:
 - (i) the meaning and significance of the figures, notes and significant changes;
 - (ii) areas where judgment has been exercised;
 - (iii) adherence to accounting policies and practices;

- (iv) explanation of estimates or provisions having material effect;
 - (v) the schedule of losses and special payments;
 - (vi) any unadjusted statements; and
 - (vii) any reservations and disagreements between the external auditors and management which have not been satisfactorily resolved.
- (c) Review the annual report and annual governance statement before they are submitted to the Board to determine completeness, objectivity, integrity and accuracy;
 - (d) Review each year the accounting policies of the Foundation Trust and make appropriate recommendations to the Board; and
 - (e) Review all accounting and reporting systems for reporting to the Board, including in respect of budgetary control.

7.2. With respect to internal control and risk management:

- (a) Review the Foundation Trust's internal financial controls to ensure the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance;
- (b) Review and maintain an oversight of the Foundation Trust's general internal controls and risk management systems, liaising with the Risk and Environmental Management Group where necessary;
- (c) Review processes to ensure appropriate information flows to the Committee from executive management and other committees in relation to the Foundation Trust's overall internal control and risk management position;
- (d) Review the adequacy of the policies and procedures in respect of all counter-fraud work;
- (e) Review the adequacy of underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of principal risks; and
- (f) Review the adequacy of policies and procedures for ensuring compliance with relevant regulatory, legal and conduct requirements.

7.3. With regard to corporate governance:

- (a) Monitor corporate governance compliance (e.g. compliance with the terms of the licence, constitution, codes of conduct, Standing Orders, Standing Financial Instructions and maintenance of registers of interests).

7.4. With regard to internal audit:

- (a) Monitor and review the effectiveness of the Foundation Trust's internal audit function, taking into consideration relevant UK professional and regulatory requirements;
- (b) Review and approve the internal audit strategy and programme, ensuring that it is consistent with the needs of the organisation;
- (c) Oversee on an ongoing basis the effective operation of internal audit in respect of:
 - (i) adequate resourcing;
 - (ii) its coordination with external audit;
 - (iii) meeting relevant internal audit standards;
 - (iv) providing adequate independence assurances; and
 - (v) it having appropriate standing within the Foundation Trust.
- (d) Consider the major findings of internal audit investigations and management's response and their implications and monitor progress on the implementation of recommendations; and
- (e) Consider the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal of internal audit staff; and

7.5. With regard to external audit:

- (a) Review and monitor the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- (b) The Council of Governors should take the lead in agreeing with the Committee the criteria for appointing, reappointing and removing external auditors. To support them in this task, the Committee should:
 - (i) provide information on the external auditor's performance, including details such as the quality and value of the work, the timeliness of reporting and fees;
 - (ii) make recommendations to the Council of Governors in respect of the appointment, reappointment and removal of an external auditor and related fees as applicable. To the extent that a recommendation is not adopted by the Council of Governors, this shall be included in the annual report, along with the reasons that the recommendation was not adopted.
- (c) Discuss with the external auditor, before the audit commences, the nature and scope of the audit;
- (d) Assess the external auditor's work and fees each year and, based on this assessment, make the recommendation to the Council of Governors will respect to the reappointment or removal of the auditor. This assessment should include the review and monitoring of the external auditor's independence and objectivity

and effectiveness of the audit process in light of relevant professional and regulatory standards;

- (e) Oversee the conduct of a market testing for the appointment of an auditor at least once every five (5) years and, based on the outcome, make a recommendation to the Council of Governors with respect to the appointment of the auditor;
- (f) Review external audit reports, including the annual audit letter, together with the management response, and to monitor progress on the implementation of recommendations; and
- (g) Develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance.

7.6. With regard to Standing Financial Instructions:

- (a) Review on behalf of the Board the operation of, and proposed changes to, the Standing Financial Instructions;
- (b) Examine the circumstances of any significant departure from the requirements of Standing Financial Instructions; and
- (c) Review the Scheme of Reservation and Delegation.

7.7. With regard to other matters:

- (a) Review performance indicators relevant to the remit of the Committee;
- (b) Examine any other matter referred to the Committee by the Board and initiate investigation as determined by the Committee;
- (c) Develop and use an effective assurance framework to guide the Committee's work. This will include utilising and reviewing the work of the internal audit, external audit and other assurance functions as well as reports and assurances sought from directors and managers and other investigatory outcomes so as to fulfil its functions in connection with these terms of reference;
- (d) Review the work of all other foundation trust committees in connection with the Committee's assurance function; and
- (e) Consider the outcomes of significant reviews carried out by other bodies which include but are not limited to regulators and inspectors within the health sector and professional bodies with responsibilities that relate to staff performance and functions.

8. MINUTES AND REPORTING

8.1. Formal minutes shall be taken of all Committee meetings.

8.2. The Committee will report to the Board after each meeting. The report shall include details of any matters in respect of which actions or improvements are needed.

- 8.3. The foundation trust's annual report shall include a section describing the work of the Committee in discharging its responsibilities. The report shall include:
- (a) the significant issues that the Committee considered in relation to financial statements, operations and compliance and how these were addressed;
 - (b) an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and
 - (c) if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.

9. PERFORMANCE EVALUATION

- 9.1. As part of the Board's annual performance review process, the Committee shall review its collective performance.

10. REVIEW

- 10.1. These terms of reference of the Committee shall, in consultation with the Council of Governors, be reviewed by the Board at least annually.