

**Trust Board Meeting: Wednesday 8 July 2015**  
**TB2015.98**

<b>Title</b>	<b>Board and Sub-Committee Effectiveness Review</b>
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<b>Status</b>	A paper for discussion
<b>History</b>	This is a new report for the current year.

<b>Board Lead(s)</b>	Eileen Walsh, Director of Assurance			
<b>Key purpose</b>	Strategy	<b>Assurance</b>	Policy	Performance

**Executive Summary**

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| <p>1. As part of the Foundation Trust application process the Trust has been subject to external review. This report fulfils the actions identified in the HDD and BGAM reports and provides a summary of the results from review of the following:</p> <ul style="list-style-type: none"><li>• Board subcommittee effectiveness</li><li>• Monitor Code of Governance</li><li>• Intelligent Board Good Practice Guidance</li></ul> |
| <p>2. The Board is asked</p> <ol style="list-style-type: none"><li>a. to review the results and discuss the recommendations proposed primarily focused on the proposed amendments to the committee timetable; and</li><li>b. to approve the updated Terms of Reference of the Remuneration and Appointments Committee, attached at Appendix 1.</li></ol>   |

## Board Committee Effectiveness Review

### 1. Introduction

- 1.1. Effective Board meetings and sub-committees of the Board are a key part of an effective governance structure and as the Trust progresses its Foundation Trust application and it is important to ensure that the Trust's organisational governance is compliant with best practice.
- 1.2. The purpose of the paper is to present the findings of the review of effectiveness of the Board and to summarise the committee effectiveness review process.

### 2. Scope of Review of Effectiveness

- 2.1. The Trust has undertaken a review of the Trust Board and its sub-committees, using the Monitor Code of Governance and Intelligent Board as best practice guides and using the following principles:
  - the need for sub-committees to strengthen the governance arrangements of the Trust and support the Board in the achievement of the Trust's strategic objectives;
  - the requirement for a committee structure that strengthens the role of the Board in strategic decision making and supports the role of non-executive directors in challenging executive management actions;
  - maximising the value of the input from non-executive directors, given their limited time commitment;
  - supporting the Board in fulfilling its role, given the nature and magnitude of the Trust's agenda.
- 2.2. The current governance for the Trust is provided through a properly constituted Board established in accordance with the Trust's establishment orders. The Trust Board has the following approved sub-committees:
  - Audit Sub-Committee
  - Quality Sub-Committee
  - Finance & Performance Sub-Committee
  - Remuneration & Appointments Sub-Committee

The Quality Committee, Audit Committee and Finance & Performance Committee have each produced an Annual Report to the Board, as part of which Terms of Reference were reviewed, to establish that no further changes were required, beyond ensuring that the Terms of Reference are now in line with the Trust template.

The Terms of Reference of the Remuneration and Appointments Committee have similarly been reviewed, to establish that no further changes are required beyond ensuring compliance with the Trust template. The updated Terms of Reference of the Remuneration and Appointments are attached at Appendix 1.

- 2.3. The principles set out in the Intelligent Board guidance together with the HFMA Audit Committee Handbook guidance were used as the basis of the review of effectiveness of the sub-committees. A desk top review of the cycle of business and Terms of Reference of each committee was undertaken by the Head of

Corporate Governance. The review has been broken down into the following subsections:

- Responsibilities;
- Membership and Attendance Record;
- Reporting Arrangements;
- Cycle of Business.

### 3. Key Findings

3.1. The key findings have been collated into general themes and the detailed findings for each of the sub-committees have been included within Annual reports as presented to this Board meeting.

#### **Responsibilities and Cycle of Business**

- The Terms of Reference (ToR) from each committee were clear and largely formed the basis for the business of the committees.
- The cycle of business for each committee generally complied with the ToR with some minor exceptions.
- The agendas of the committees generally reflected the cycle of business and the ToR. In many cases they went further than the items reflected in the cycle of business and assisted in the demonstration of the delivery of the ToR.

#### **Membership and Attendance**

- All meetings were quorate for the year and attendance was met. A full record of attendance for all committees was included within the Annual Governance Statement.

#### **Reporting from the sub-committee to the Board**

- The reporting from each sub-committee up to the Board was timely (usually within a month of the meeting, where possible).
- It has been recognised that some improvement could be made to ensure actions passed between committees are more fully captured and appropriate actions taken are reported back to the referring committee. This has been reflected within the sub-committee Annual Reports.

#### **Content of papers / Information provided**

- There were a number of similarities in the information presented at Board and to specific sub-committees. This was partly due to meetings being held on the same day, or very close to each other. This level of overlap in timing of meetings and information provided to those meetings could lead to a potential lack of discussion at the later committee meeting (as members could assume that it has already been reviewed and discussed in detail).

### 4. Recommendation

4.1. The Board is asked to note the results of the review and that relevant actions included within the sub-committee Annual Reports will be taken forward by these committees.

**Report prepared by: Clare Winch**  
**Deputy Director of Assurance**  
**July 2015**