

**BOARD
PART I
MEETING ON 26TH AUGUST 2015**

Title of Report:	Committee Review: <ul style="list-style-type: none"> ▪ Revised Terms of Reference for Audit Committee ▪ Revised Terms of Reference for Quality and Patient Safety Committee ▪ Proposed Terms of Reference for Integrated Governance Group
Board Sponsor:	Dr Deshpande, CCG Chair Mandy Ansell, (Acting) Interim Accountable Officer Jane Foster-Taylor, Chief Nurse Lesley Buckland, Lay Member (Governance)
Prepared by :	Nicola Meeks, Head of Corporate Governance
Committees previous consulted:	Audit Committee, 7 th July 2015 Quality & Governance Committee, 10 th July 2015 Executive Officers and Lay Members, PPI and Governance
Executive Summary:	<p><u>Background</u></p> <p>At the Audit Committee meeting on 26th May, discussions were held on the role of both the Audit Committee and Quality & Governance Committee and the Head of Corporate Governance was tasked with undertaking a more detailed review of committee business to ensure that operational aspects of ‘governance’ were reviewed at an appropriate level and that arrangements for integrated governance were robust.</p> <p>The outcome of the review identified the following key issues:</p> <ul style="list-style-type: none"> ▪ Some, but not all operational aspects of governance were being presented to the Quality & Governance Committee; ▪ Integrated governance had become disengaged from the audit committee and lay primarily in the remit of the Quality & Governance Committee, but that was limited to a few items such as legislative compliance and information governance. ▪ The Audit Committee oversight of integrated governance was therefore limited. ▪ The volume of work of the Quality & Governance Committee exceeded the capacity of the group and scheduled meetings. <p><u>Integrated Governance</u></p> <p>The Chief Executive Bulletin, 13-18 November 2004, Issue 245, Item 7, Gateway number 4161 introduced Integrated Governance as follows:</p> <p>“Integrated Governance provides the umbrella for all NHS governance approaches. It combines the principles of corporate / financial accountability and it moves towards a single risk sensitivity process which covers all the organisation’s objectives, supported by a coordinated source of collecting</p>

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information and subjected to coordinated inspection.”

The concepts were then developed into the Department of Health Integrated Governance Handbook February 2006, subsequently updated by the HFMA Integrated Governance Handbook, 2011 and reflected in the HFMA Audit Committee Handbook 2014.

This defined Integrated Governance as a co-ordinating principle. It does not seek to replace or supersede clinical, financial or any other governance domain. Rather it highlights their vital importance and their inter-dependence and inter-connectivity.

Truly ‘integrating governance’ at the CCG would therefore need to be a co-ordinating principle across all areas of CCG business and all CCG Committees.

The Audit Committee has always and continues to be accountable for integrated governance, but lacks the pan-CCG approach to deliver integrated governance. Furthermore, the role of the Audit Committee is to scrutinise CCG functions (including integrated governance) as a ‘non-executive’ committee that can provide assurance to the Board that the functions and duties of the CCG are being appropriately discharged and are supported by adequate systems of Internal Control. It must therefore not undertake any ‘operational’ duties and remain independent from the executive functions of the CCG.

It is therefore proposed that a new ‘Integrated Governance Group’ (IGG) be established, accountable to the Audit Committee so that its work can be scrutinised and questioned to enable the Audit Committee to provide assurance (as described) to the Board.

The purpose of the IGG is therefore to ensure that integrated governance is being embedded across the CCG by ensuring that all aspects of governance across the CCG are appropriately discharged. It is proposed that the IGG will be an operational group and not a delegated sub-committee.

This will mean that Executive Officers and key staff members from all Directorates would join the group as and when required, depending on the business transacted at that time. The IGG would also link into all CCG Committees, providing the ‘pan-CCG’ approach required for true integration.

The attached Terms of Reference defines the remit and responsibilities of the group, which has been drawn up to reflect all areas of CCG governance as well as including all aspects of governance reported in the Annual Governance Statement and defined in the Integrated Governance Handbook are included in the annual work plan.

Members will note that the IGG will also perform the role of the ‘Policy Review Group’ as defined in the updated Policy for Policies.

The introduction of such a group will also alter the dynamics of the current Audit Committee and Quality & Governance Committee. It will mean that

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	the role of the Audit Committee in relation to Integrated Governance is better defined and includes accountability for the IGG. The Quality & Governance Committee can dispense with the (non-clinical) elements of governance previously presented to the Committee and can therefore focus on Quality and Patient Safety, which is the primary function of the Committee. Consequently it is being recommended that the name of the Committee be changed to the Quality and Patient Safety Committee to reflect its specific role.	
Financial / Resource Implications:	Resource implication in terms of staff time attending the committee, but minimal.	
Fit with CCG strategy/objectives:	To operate adequate governance measures and controls.	
Risks identified / Outcome / Link to BAF:	Failure to establish and maintain good governance.	BAF Ref:
Actions Required:	<ul style="list-style-type: none"> - If approved, finalise TORs and publish accordingly. - Review again in 1 year. - Update the Constitution to reflect the change in committee arrangements. 	When By: -Immediately -August 2015 -November 2015
Recommendation to the Committee:	The Board are asked consider and approve: <ul style="list-style-type: none"> ▪ the proposed introduction of the Integrated Governance Group ▪ changing the name of the Quality & Governance Committee to the Quality & Patient Safety Committee ▪ the revised terms of reference of the Audit Committee ▪ the revised terms of reference of the Quality & Patient Safety Committee. 	

* Delete as appropriate