



<b>MEETING TITLE</b> Board of Directors		<b>MEETING DATE</b> 31/01/2017	
<b>TITLE of PAPER</b>	<b>For Approval: Standing Orders, Reservation and Delegation of Powers &amp; Standing Financial Instructions, V.2.3, January 2017 including Level 2 Committee Terms of Reference</b>	<b>PAPER REF</b>	Paper 5.2
<b>STRATEGIC OBJECTIVE(S)</b>	All		
<b>PURPOSE OF THE PAPER</b>	That the Board of Directors is satisfied of the appropriateness of the governance process followed, and approves the draft updated Standing Orders and Standing Financial Instructions (SOs/SFIs), V2.3, January 2017 including each of the associated Level 2 Committee Terms of Reference (TOR).		
<b>For Approval</b>	<input checked="" type="checkbox"/>	<b>For Assurance</b>	<input checked="" type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input type="checkbox"/>
<b>AUTHOR / LEAD</b>	Anne Allen, Trust Secretary and Perry Duke, Head of Financial Services	<b>ACCOUNTABLE DIRECTOR</b>	Chief Executive
<b>DISCUSSED AT / INFORMED BY – include date(s) as appropriate (free text – i.e. please provide an audit trail of the development(s)/proposal(s) subject of this paper):</b> The governance process followed for the current review of the draft updated SOs/SFIs including Level 2 Committee TOR has included review and feedback from: <ul style="list-style-type: none"> <li>i. Trust Executive Group 21 November, 12 December 2016 and 9 January 2017;</li> <li>ii. the Trust’s wider senior management team including finance, procurement, ICT, estates &amp; facilities, legal, governance, risk (not exhaustive);</li> <li>iii. each of the Level 2 Committees of its own draft updated TOR (Q3/4);</li> <li>iv. the Audit Committee, 12 January 2017 considered the draft updated SOs/SFIs in line with its own Terms of Reference (6.10) alongside its and each of the Committee’s draft updated TOR;</li> <li>v. the Audit Committee Chairman and the Trust Secretary, 19 January 2017, agreed amendments to the TOR of the Audit, Quality and Finance &amp; Investment Committees by teleconference, subsequently agreed for inclusion in today’s proposals by the Executive Director of Quality, Governance and Performance Assurance.</li> </ul>			
<b>PREVIOUSLY AGREED AT:</b>	<b>Committee/Group:</b> Trust Board	<b>Date:</b> 21/07/2015	
<b>RECOMMENDATION(S)</b>	That the Board of Directors approves the Standing Orders and Standing Financial Instructions, V2.3, January 2017 and each of the associated Level 2 Committee Terms of Reference.		
<b>RISK ASSESSMENT</b>			<b>Yes</b> <b>No</b>

<b>Corporate Risk Register and/or Board Assurance Framework amended</b> <i>If 'Yes' – expand in Section 4. / attached paper</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Legal implications/Regulatory requirements</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Diversity and Inclusion Implications</b> <i>If 'Yes' – please attach to the back of this paper</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>		
<b>Care Quality Commission</b> <b>Choose a DOMAIN(s)</b>	5: Well led 2: Effective	
<b>NHSI Single Oversight Framework</b> <b>Choose a THEME(s)</b>	1. All	

**For Approval: Standing Orders, Reservation and Delegation of Powers & Standing Financial Instructions, V.2.3, January 2017 including Level 2 Committee Terms of Reference**

**1. PURPOSE/AIM**

- 1.1 That the Board of Directors is satisfied of the appropriateness of the governance process followed, and approves the draft updated Standing Orders and Standing Financial Instructions (SOs/SFIs), V2.3, January 2017 including each of the associated Level 2 Committee Terms of Reference (TOR).

**2. BACKGROUND/CONTEXT**

- 2.1 The current review of the draft updated SOs/SFIs (V2.3) including Level 2 Committee TOR followed a governance process which included review and feedback from:

- i. the Trust Executive Group on 21 November, 12 December 2016 and 9 January 2017;
- ii. the Trust's wider senior management team including finance, procurement, ICT, estates and facilities, legal, governance, risk (not exhaustive);
- iii. each of the Trust's Level 2 Committees of its own draft updated TOR, during Q3/4;
- iv. the Audit Committee, 12 January 2017 considered the draft updated SOs/SFIs in line with its own Terms of Reference (6.10\*), alongside its and each of the Committee's draft updated TOR.

\* The Terms of Reference of the Audit Committee require that the Committee shall:

6.10: "Consider any proposed changes to Standing Orders and Standing Financial Instructions, prior to presentation to the Board."

- 2.2 The draft revised SOs/SFIs, V.2.3 (attached) and each of the Level 2 Committee TOR (attached) have been revised to reflect wider feedback (than at 1. above) including:

- a) the environment in which the Trust now operates;
- b) benchmarking of others' SOs/SFIs including a number of 'Outstanding' and 'Good' performing trusts;
- c) changes to Senior Team portfolio responsibilities;
- d) the Trust's revised 'Governance Framework' (approved by the Board of Directors, September 2016);
- e) up-to-date legislation, regulation and best practice;
- f) grouping key information in a more accessible manner;

- g) recommendations from the Northern Ambulance Alliance Board, 15 November 2016, that each of the participating Board of Directors (North East, North West and Yorkshire ambulance NHS trusts) has the facility to vote on a matter outside of an ordinary physical meeting if required; the proposal is that NEAS and NWAS would be invited to adopt YAS' wording if approved (at SOs, 3.1 (1): Governance Assurance Cycle);
- h) feedback from the Trust Executive Group on 21 November 12 December 2016 and 9 January 2017;
- i) feedback from the Trust's wider senior team including finance, procurement, ICT, estates & facilities, legal, governance, risk (not exhaustive);
- j) feedback from each of the Trust's Level 2 Committees of its own draft updated TOR, during Q3/4;
- k) feedback from the Audit Committee, 12 January 2017 considered the draft updated SOs/SFIs in line with its own Terms of Reference (6.10\*), alongside its and each of the Committee's draft updated TOR;
- l) the Audit Committee Chairman and the Trust Secretary, 19 January 2017, agreed amendments to the TOR of the Audit, Quality and Finance & Investment Committees by teleconference, subsequently agreed for inclusion in today's proposals by the Executive Director of Quality, Governance and Performance Assurance.

2.3 Proposed changes of a general nature, for example those described at a), e) and f) above have been highlighted in the main body of the **SOs/SFIs draft document, V2.3**.

2.4 Key amendments to the updated SOs/SFIs have been included *with reasons* at **Appendix ONE (5.1)**.

2.5 The associated draft updated **Level 2 Committee Terms of Reference** are attached where each has been subject to relevant Committee review during Quarter 3/4 and included:

Appendix Two:	Audit Committee
Appendix Three:	Auditor Panel
Appendix Four:	Finance & Investment Committee
Appendix Five:	Quality Committee
Appendix Six:	Remuneration & Terms of Service Committee
Appendix Seven:	Charitable Funds Committee

### 3. PROPOSALS/NEXT STEPS

3.1 Following approval of the Board of Directors, the updated SOs/SFIs and associated Committee TOR will be appropriately disseminated to internal and (restricted) external stakeholders including Internal and External Audit.

#### **4. RISK ASSESSMENT**

- 4.1 If the Trust were not to update its SOs/SFIs and Committee TOR to reflect the criteria outlined at 2.3 the Trust may risk compromising its duties and obligations to the Secretary of State for Health, including those contained in the NHS Constitution, NHS England, NHS Improvement and regulators, for example the Care Quality Commission, together with potential non-compliance with relevant legislation and regulation.

#### **5. RECOMMENDATIONS**

- 5.1 That the Board of Directors approves the Standing Orders and Standing Financial Instructions, V2.3, January 2017 and each of the associated Level 2 Committee Terms of Reference.

#### **6. APPENDICES/BACKGROUND INFORMATION**

- i. **Standing Orders V2.3:** including Scheme of Powers Delegated and Reserved to the Board and Standing Financial Instructions (including Scheme of Financial Delegation), January 2017
- ii. **Appendix ONE (5.1):** SOs/SFIs Cross Reference Old to New Versions
- iii. **DRAFT UPDATED COMMITTEE TERMS OF REFERENCE:**
  - Appendix Two: Audit Committee**
  - Appendix Three: Auditor Panel**
  - Appendix Four: Finance & Investment Committee**
  - Appendix Five: Quality Committee**
  - Appendix Six: Remuneration & Terms of Service Committee**
  - Appendix Seven: Charitable Funds Committee**