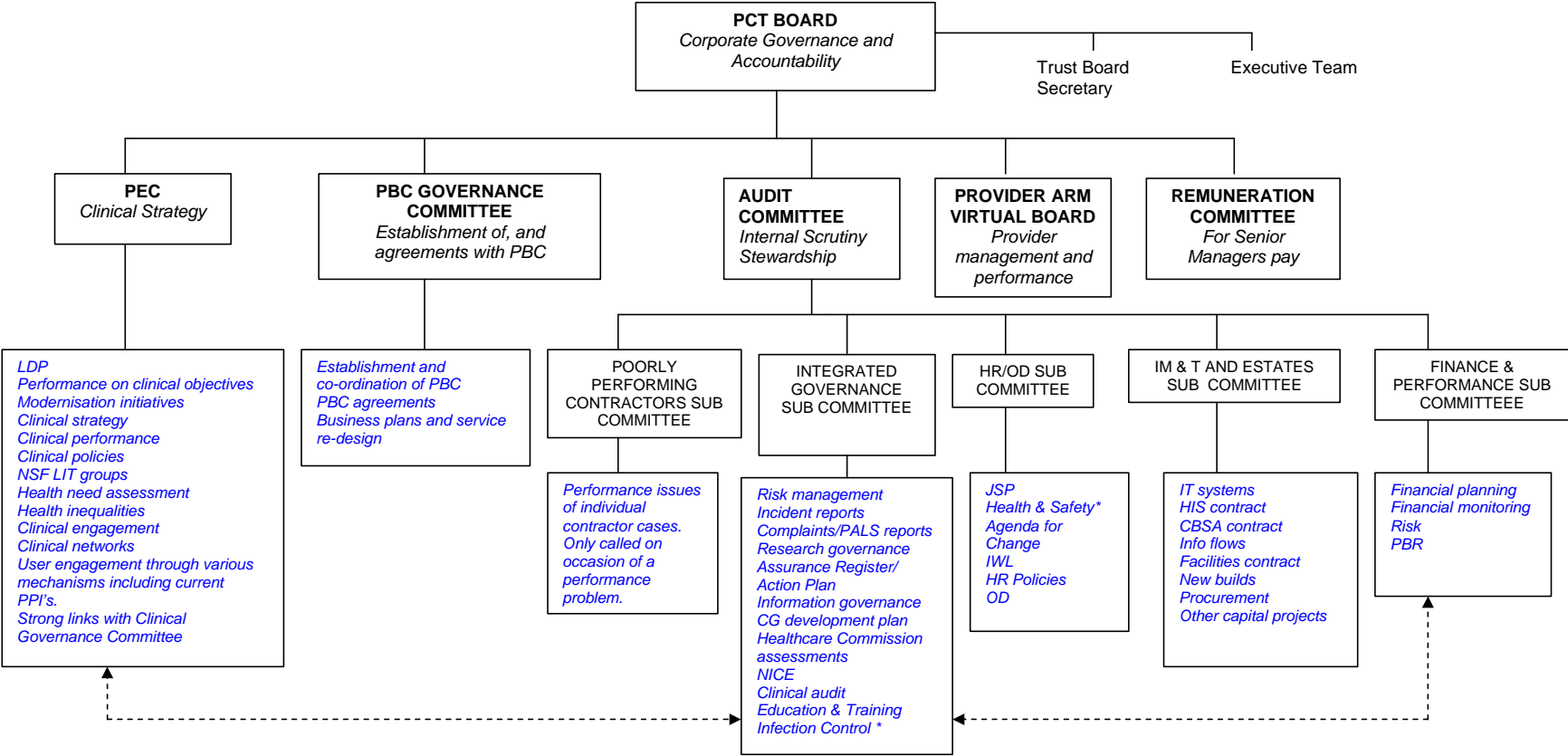


FIGURE 1

RECONFIGURED PCT : BOARD COMMITTEE STRUCTURE



* could be shared service sub-committees

Blue italics denotes the subject range for each Committee

Committee Terms of Reference : Audit Committee

Purpose and Status

The Audit Committee is established by the PCT Board to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities that supports the achievement of the organisation objectives. The committee will undertake the role of scrutiny and stewardship on behalf of the PCT Board.

Functions

1. To scrutinise the process of integrated governance and the management of organisational risk.
2. To oversee the workings of the integrated governance, HR/OD, Estates and IM&T, the Poorly Performing Contractors and the Finance and Performance Committees.
3. Ensure there is an effective internal audit function and review the funding of the External Auditor.

Terms of Reference

1. Review all risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the Standards for Better Health), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
2. Review underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
3. Oversee the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
4. To oversee liaison with PPI and Local Authority Scrutiny groups.
5. Review the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from Directors and Managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

6. Internal Audit

The Committee shall ensure that there is an effective internal audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:

- Consideration of the provision of the Internal Audit service, the cost of the audit and any questions of resignation and dismissal.

- Review and approval of the Internal Audit Strategy, Operational Plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework.
- Consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources.
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation.
- Annual review of the effectiveness of internal audit.

7. External Audit

The Committee shall review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management's responses to their work. This will be achieved by:

- Consideration of the appointment and performance of the External Auditor, as far as the Audit Commission's rules permit.
- Discussion and agreement with the External Auditor, before the audit commences of the nature and scope of the audit as set out in the Annual Plan, and ensure co-ordination, as appropriate, with other External Auditors in the local health economy.
- Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Authority/Trust/PCT and associated impact on the audit fee.
- Review all External Audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the annual audit plan, together with the appropriateness of management responses.

8. Other Assurance Functions

The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

These will include, but will not be limited to, any reviews by Department of Health Arms Length Bodies or Regulators/Inspectors (e.g. Healthcare Commission, NHS Litigation Authority, etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc).

In reviewing the work of clinical governance and issues around clinical risk management, the Audit Committee will wish to satisfy themselves on the assurance that can be gained from the clinical audit function.

Management

The Committee shall request and review reports and positive assurances from Directors and Managers on the overall arrangements for governance, risk management and internal control.

They may also request specific reports from individual functions within the organisation (e.g. clinical audit) as they may be appropriate to the overall arrangements.

9. Financial Reporting

The Audit Committee shall review the Annual Report and Financial Statements before submission to the Board, focusing particularly on:

- The wording in the Statement on Internal Control and other disclosures relevant to the Terms of Reference of the Committee
- Changes in, and compliance with, accounting policies and practices
- Unadjusted mis-statements in the financial statements
- Major judgemental areas
- Significant adjustments resulting from the audit

The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

Reporting Arrangements

The Audit Committee is a sub-committee of the PCT Board and will report routinely on issues of governance. The Lead Director will be responsible for providing Board reports.

Membership

Four Non-Executive Directors (not the PCT Chairman) one of which will be appointed as Chair.

In Attendance

The Director of Finance will routinely be in attendance.
The Chief Executive (as required).
Other Executive Directors as required.

Secretarial Support

Trust Board secretary will provide secretarial support.

Quorum

2 Non-Executive Directors.

Frequency

Quarterly meetings (at least 4 meetings per year). The External Auditor or Head of Internal Audit may request a meeting if considered necessary.

Review

The Terms of Reference to be reviewed annually by the PCT Board.

Committee Terms of Reference : Remuneration & Terms of Service Committee

Purpose and Status

The role of the Remuneration and Terms of Service Committee is to advise the Board about appropriate remuneration and terms of service for the Chief Executive and other executive members. The Board may also decide to extend the Committee's remit to include other senior managers' terms, and should be encouraged to do so. Advice to the Board on remuneration should include all aspects of salary (including any performance-related elements/bonuses and any allowances), provisions for other benefits, including pensions and cars, as well as arrangements for termination of employment and other contractual terms.

The Board should formally agree and record in the minutes of its meetings the Committee's precise terms of reference, specifying which posts fall within its areas of responsibility, its composition and the arrangements for reporting.

Functions

- To make such recommendations to the Board on the remuneration, allowances and terms of service of executive members to ensure they are fairly rewarded for their individual contribution to the organisation – having proper regard to the organisation's circumstances and performance, and to the provisions of any national arrangements where appropriate, using the Framework for very senior managers pay.
- To monitor and evaluate the performance of individual executive members.
- To advise and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments, taking account of such national guidance as is appropriate.

Reporting Arrangements

The Committee should report in writing to the Board the bases for its recommendations. The Board would use that report as the basis for their decisions, but would remain accountable for taking decisions on the remuneration, allowances and terms of service of other officer members. Minutes of the Board's meetings should record such decisions.

Membership and Conduct of the Committee

The Committee should comprise of the Board Chairman and three non-executive members. The composition of the Committee should be given in the Annual Report. It is also recommended that in the interests of public accountability the remuneration of the Chief Executive is disclosed in the Annual Report.

The Chief Executive and other officer members should not be present for discussions about their own remuneration and terms of service, but could attend meetings of the Committee to discuss other individuals' terms.

Frequency of Committee Meetings

At least annually, but as required.

Review

The Terms of Reference to be reviewed annually by the PCT Board.

Committee Terms of Reference : Integrated Governance Committee

Purpose and Status

The Integrated Governance Committee is the formal mechanism by which the PCT discharges its responsibilities for clinical governance and risk management. Forming part of the PCT Board Committee infrastructure, the Integrated Governance Committee plays a key part in providing the Board with assurance relating to clinical quality and risk and reports directly to the Audit Committee.

The Committee will also have a direct link into the work of the Professional Executive Committee (PEC) with its remit for clinical engagement, strategy and delivery and the Finance and Performance Committee with its remit for performance management.

Functions

1. To scrutinise and review the systems in place within the organisation to ensure, monitor and improve the quality for health care delivered to the patient.
2. Provide relevant assurances to the PCT Board to enable it to meet its responsibilities for the quality of health care in the Statement of Internal Control.
3. To ensure that a robust strategy for risk management is in place to manage the whole spectrum of risks associated with the PCTs business.

Terms of Reference

1. To establish a clinical governance and risk management infrastructure to ensure comprehensive coverage of the PCT.
2. To co-ordinate the production of Clinical Governance Development Plan and Annual Report.
3. To co-ordinate the PCTs self-assessment of performance against Standards for Better Health and the PCTs action plan to address deficiencies.
4. To identify and build on good practice, sharing experience and expertise in relation to clinical governance and risk management and work towards a culture of openness, learning and risk awareness across the organisation.
5. To develop a clinical audit strategy and annual programme, monitoring performance and audit reports.
6. To oversee reviews conducted by the HCC across the health economy and receive any forthcoming recommendations, reporting on actions to the PCT Board.
7. To highlight any areas of poor performance directing appropriate action.
8. To review incidents and complaints highlighting trends and advising on appropriate actions for the PCT.
9. To receive reports on anonymised claims made against the PCT.
10. To review the PCT Risk Register reporting on risk management strategies to the Audit Committee.
11. To arrange the assurance framework building levels of assurance against strategic risk and reporting progress to the Audit Committee with twice yearly Board reports.

12. To develop and implement a risk management strategy which:

- Identifies and prioritises risks
- Describes action to be taken against each risk
- Identifies how risk is measured.

13. To oversee the development of PCT annual training programme.

Reporting Arrangements

The Integrated Governance Committee will report to the Audit Committee whose role is to maintain an effective mechanism of governance. Standard reports will be produced as required for the PCT Board. The Lead Director will be responsible for reporting on progress of the committee.

Membership

Non-Executive Board member (Chair)

Clinical Governance Lead

Director of Public Health

Director of Quality and Performance

Director of Finance

Director of Commissioning

Director of Provider

Lead Officer for Risk Management

Lead Officer for Complaints

Lead Officer for Education and Training

Plus

Heads of service as determined by PCT structure (to be advised)

Secretarial Support

Lead Director's PA to provide secretarial support.

Quoracy

Any seven members shall constitute a quorum.

Frequency

The committee will meet every two months (6 times per year).

Review

The terms of reference to be reviewed annually by the PCT Board.

Committee Terms of Reference : IM&T and Estates

Purpose and Status

The Committee will co-ordinate the PCTs approach to Connecting for Health and Estates Management. It will provide a strategic approach to IM&T monitoring progress against the National programme. The Committee will also oversee the management of new builds and estates provision on behalf of the PCT.

Functions

1. To develop strategy and monitor progress against monitor progress against the National Connecting for Health Programme. Overseeing the progress of local projects and system development to ensure systems are fit for purpose.
2. To oversee the capital programme for the PCT monitoring progress against contracts and providing reports appropriately to the PCT Board.

Terms of Reference

1. To develop an IM&T strategy with a clear annual programme.
2. To monitor progress of IM&T projects working strategically with the HIS, product providers and NWWM cluster in the delivery of local systems.
3. To highlight risks to the Board with recommendations on appropriate corrective action.
4. To monitor IM&T expenditure making recommendations for future developments and system upgrades.
5. To monitor the PCT capital programme.
6. To manage the processes for GP premises authorisation.
7. To monitor progress against each individual scheme, receiving progress reports from lead officers.
8. To ensure appropriate consultation and processes have been followed before recommending new projects to the PCT board.
9. To performance manage the Estates service level agreement, ensuring appropriate standards and regulations are met.

Membership

1 Non-Executive Director (to act as Chair)
 Lead Director for IM&T – Director of Finance
 Lead Officer for IM&T
 Lead Officer for estates development
 Nomination from HIS
 Nomination from Estates service provider

In Attendance

IM&T systems providers and/or estates contracts may be invited to attend.

Secretarial Support

The PA to the Lead Director, the Director of Finance will provide secretarial support.

Quorum

A minimum of three members will be a quorum.

Frequency

The Committee will meet quarterly (a minimum of four times a year).

Review

The Terms of Reference to be reviewed annually by the PCT Board.

Purpose and Status

The role of the Practice Based Commissioning (PBC) Governance Committee will performance manage the systems and controls relating to PBC. Ensuring probity of decision making and service level agreements in support of the Local Delivery Plan.

Functions

1. To oversee the establishment of Practice Based Commissioning across South Staffordshire and ensure robust service level agreements are established with the PCT for devolved responsibility.
2. Develop systems to ensure PBC priorities are aligned with Local Delivery Plan objectives and in line with National Strategy.
3. To oversee and ratify service redesign proposals which redirect activity from secondary to primary care, overseeing the process of directing resources payment mechanisms.

Terms of Reference

1. To establish Practice Based Commissioning across the PCT.
2. To agree systems and processes for budget development and the contract through which PBC will operate.
3. To oversee the arrangements for business support function to be provided to PBC.
4. To receive business plans and service priorities from each PBC and make recommendations to the PCT Board for approval.
5. To monitor plans for service redesign, receiving robust business cases demonstrating improvements for patient care and improved access in line with LDP targets.
6. To co-ordinate SLAs managed by PBC.

Membership

1 Non-Executive Director
Director of Commissioning
Director of Finance
Director of Quality
Locality Director x 2
PEC Chair
Plus
Lead Officers

Secretarial Support

The PA to the Lead Director will provide secretarial support.

Quorum

A minimum of four members will be a quorum.

Frequency

The Committee will meet bi-monthly or as necessary.

Review

The terms of reference to be reviewed annually by the FOT Board.

Committee Terms of Reference : Human Resources and Organisational Development Committee

Purpose and Status

The HR & OD Committee is established to oversee all aspects of the PCTs employment policies and procedures, establishing an organisation which meets the Improving Working Lives standards as an employer of choice. The Committee will also oversee the strategic planning of workforce capacity informing the LDP of the future needs of the workforce profile.

Functions

1. To act as an advisory committee to influence the strategic direction and priorities of the PCT relating to organisational development, professional development and human resource issues.
2. To ensure that the above meets the strategic needs of the PCT, supports the priorities for development and responds to the targets in HR in the NHS Plan.
3. To establish mechanisms to obtain feedback in respect of priorities for action from the PCT Board, PEC, managers, staff, independent practitioners and their staff.
4. To ensure that the PCT has adequate workforce planning processes in place to inform the LDP process in respect of workforce capacity planning. To ensure that the PCT has effective systems for the production and analysis of relevant workforce data.
5. To review and monitor how the PCT is developing and implementing leadership values and behaviours that support moving from 'blaming' to 'learning'. This will include all aspects of their roles including interacting with patients and carers.
6. To ensure that the PCT has strategies, plans and activities to support and promote learning and development for all staff and professions within the PCT.

Terms of Reference

1. To develop an annual HR and OD Strategy including a robust action plan for delivery for the PCT in line with National Strategy.
2. To monitor delivery against the action plan recommending remedial action as required.
3. To oversee the PCTs management of Agenda for Change ensuring appropriate mechanisms are in place for job banding and a system for KSF is established.
4. To co-ordinate HR policy development harmonising inherited policies as a first priority.
5. To monitor workforce statistics, including absence and turnover data as well as workforce planning returns.
6. To co-ordinate the PCTs development against the IWL standard, monitoring progress against the Practice Plus action plan and moving towards the model employer.
7. To oversee arrangements for the annual Staff Opinion Survey, reviewing survey results and identifying areas for action.
8. To monitor and agree activities, policies and procedures aimed at the personal and professional development of all staff, including the use and operation of KSF and the development of PDPs for all staff.
9. To oversee the introduction and management of the ESR project.

Membership

Non-Executive Director (Chair)
Managing Director Provider Arm
Head of Human Resources
Human Resources Advisor
Locality Managers provider services
Professional Leads
Trade Union representatives nominated by the staff side of the Joint Staff Partnership Board.

Secretarial Support

The PA to the Head of Human resources will provide secretarial support.

Quorum

A minimum of six members will be a quorum.

Frequency

The Committee will meet bi-monthly.

Review

The Terms of Reference to be reviewed annually by the PCT Board.

Committee Terms of Reference : Finance & Performance Committee

Purpose and Status

The Finance and Performance Committee will be responsible for closely examining the financial transactions and performance data and reporting of the PCT. The Committee brings value to the organisation by independently reviewing financial and performance information and assuring the Board of the validity of the information that it receives.

Functions

1. To provide a rigorous assessment of all financial information reported by the PCT, ensuring assurance to the PCT Board on its robust nature and identify areas for action.
2. To provide rigorous assessment of all performance monitoring data reported by the PCT ensuring assurance to the PCT Board on its robust nature.

Terms of Reference

Finance

1. To closely examine the monthly financial reports, and raise any issues of concern or points for clarification.
2. To monitor the PCTs capital expenditure plans working closely with the IM&T and Estates Committee.
3. To validate financial information in relation to the LDP process.
4. To ensure the PCT achieves financial balance.

Performance

1. To closely examine the integrated performance data highlighting areas for action.
2. To request additional performance reports as required to meet the needs of the national and LDP agenda.

Membership

Non-Executive Director (Chair)
Non-Executive Directors – All invited
Director of Commissioning
Director of Finance
Director of Quality & Performance
Lead Officer for Information
Lead Officer for Financial Reporting

Secretarial Support

The PA to the Lead Director will provide secretarial support.

Quorum

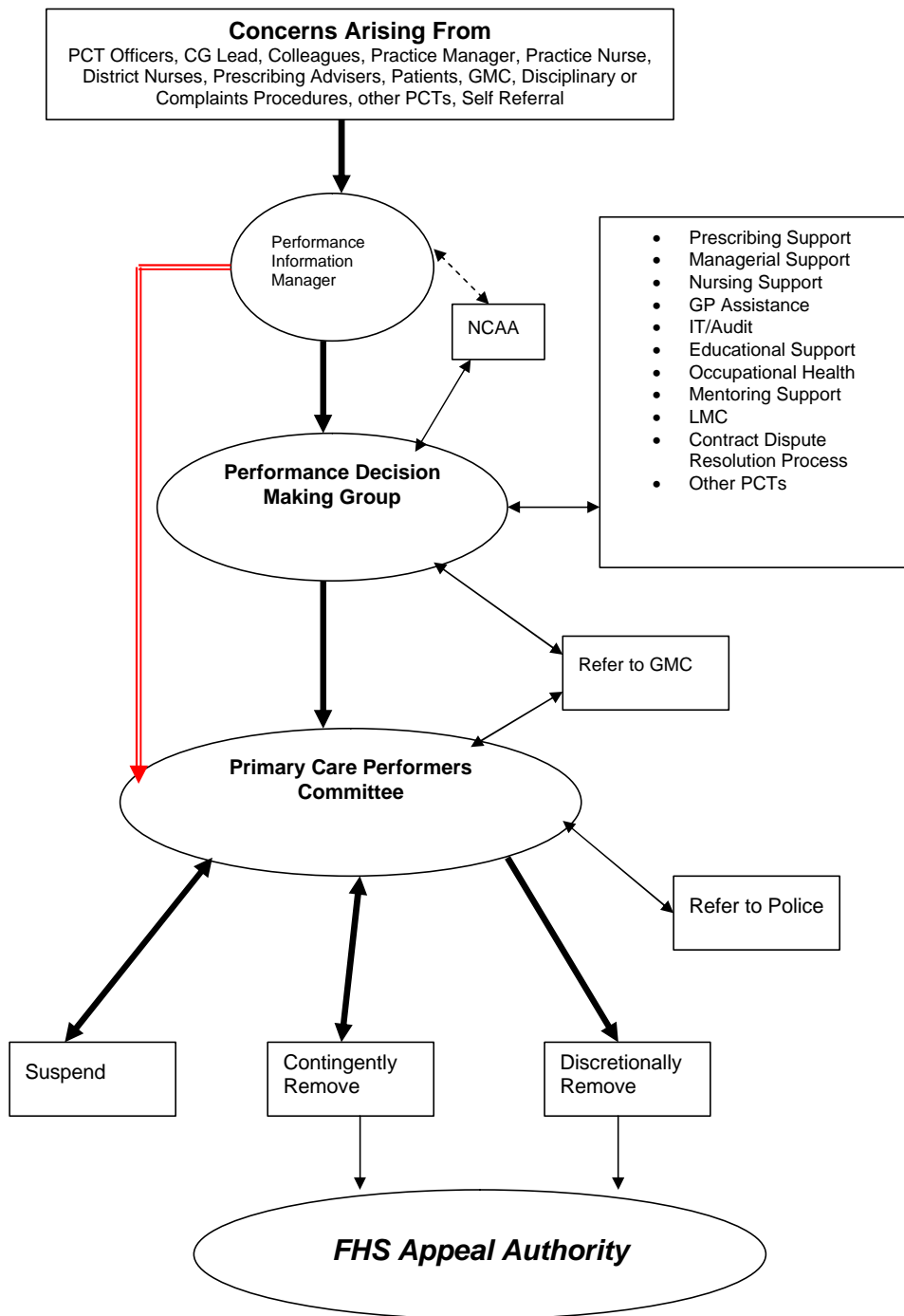
A minimum of four members will be a quorum.

Frequency

The Committee will meet monthly to align reports to the PCT Board.

Review

The Terms of Reference to be reviewed annually by the PCT Board.



Committee Terms of Reference : PCT Provider Arm Virtual Board

The provider arm of the PCT will have a “virtual” Board which will operate as a Committee of the PCT Board. The role of the Committee is to oversee the governance arrangements for PCT provider services establishing clear separation between the commissioning and provider function.

Functions

To establish robust systems and processes of governance to manage the PCT provider services to ensure an efficient and cost effective delivery of services across South Staffordshire.

Terms of Reference

1. To set up internal business processes to monitor service level agreements against expected delivery targets.
2. To deliver quality clinical services, ensuring that clinical standards are maintained.
3. To review clinical governance systems and ensure strong clinical leadership is established.
4. To receive integrated performance and finance reports, identify areas to action.
5. Advise on strategic direction for service delivery.
6. Ensure necessary structures are in place.
7. Create a framework to develop services to meet the needs of practice based and other commissioners.
8. Agree and monitor a performance report to the PCT Board.

Membership (to be confirmed)

Non-Executive Directors x 2
MD Provider Services
Head of Human Resources
Head of Governance
Head of Finance
Head of Business Support
Plus
Lead Officers for operational services

Quorum

6 members including at least one Non-Executive member.

Frequency

The Committee will meet monthly.

Review

The Terms of Reference to be reviewed annually by the PCT Board.