

INTEGRATED GOVERNANCE AND PERFORMANCE
COMMITTEE:
REVIEW OF TERMS OF REFERENCE
ALIGNMENT TO THE AUDIT COMMITTEE

1. Introduction

At the request of the Integrated Governance and Performance Committee, a group of Directors met to review the Terms of Reference and membership of the Integrated Governance and Performance Committee, including its alignment with the Audit Committee.

The resulting recommendations were discussed and approved by the Integrated Governance and Performance Committee (IGP) at its meeting on 10 September 2008. They were also discussed at a meeting of Non-Executive Directors on 10 September and then approved at the Audit Committee on 17 September.

The proposals are summarised in this paper and the resulting, revised Terms of Reference are appended.

2. Integrated Governance and Performance Committee (IGP)

2.1 Terms of Reference

The responsibility for declaration of compliance with Standards for Better Health and assurance against the same should be added to the Terms of Reference of the Integrated Governance and Performance Committee. Reports against each of the standards are reported to the IGP on a quarterly basis. The responsibility for declaration of compliance against Standards for Better Health should be removed from the Audit Committee Terms of Reference

Insert date Terms of Reference approved and when they will be reviewed.

2.2 Relationships with other Committees

The current Terms of Reference of the Integrated Governance and Performance Committee to be revised to read:

“Audit Committee

The Audit Committee have responsibility for providing the PCT board with an independent and objective view of internal control and will scrutinise the work of the Integrated Governance and Performance Committee. A member of the Audit Committee will be a core member of the Integrated Governance and Performance Committee to ensure the benefits of cross committee membership.”

All other wording to remain the same.

2.3 Membership

The IGP membership as it is currently constituted almost replicates the PCT Board. It is recommended that the membership should be revised to:

Core membership:

- 2 Non-Executive Directors as appointed by the PCT Board
- A member of the Audit Committee¹
- Chief Operating Officer (representing the CEO)
- Director of Strategy and Redesign
- Director of Performance and Organisational Development
- Director of Resources
- Director of Health Improvement
- Director of Professional Services / Medical Director
- Director of Nursing and Clinical Development
- Director of Operations²
- Deputy Director of Performance and Organisational Development
- Assistant Director – Healthcare Governance³

The PEC Chair and Clinical Director (Clinical Effectiveness) will not be required to attend. It was felt that there was sufficient clinical representation and if appropriate, staff could be co-opted.

2.4 Chair

The Chair to remain as current. One of the Non-Executive Directors will be appointed Chair of the Integrated Governance and Performance Committee and the other Non-Executive Director who is not the member of the Audit Committee will be Vice Chair. The Non-Executive Director Chair will represent the PCT Chairman just as the Chief Operating Officer represents the Chief Executive.

2.5 Quorum

Given the reduction in core membership it is suggested that quorum should be half of the core members including at least two Non-Executive Directors.

3. Agenda Planning

It was recommended that agenda items should be allocated indicative timings to assist the Chair in time management.

The following regular items received by the Integrated Governance and Performance Committee were reviewed and revisions suggested:

¹ This will ensure that sufficient financial expertise is brought to IGP. The Integrated Governance handbook does not preclude a member (or the Chair) of the Audit Committee being a core member of the IGP.

² Included but this will be reviewed periodically in order to maintain an appropriate level of contestability.

³ For specific items or to deputise for a core member

Regular items:	
Finance	To be reinstated as a monthly report. Detail of commissioning investments and commissioned services to be included in a revised report, given the new financial reporting format to the PCT Board
Performance	Currently monthly, to remain the same
Quality and Safety	New monthly report to include relevant NSF updates
Health Safety Fire and Security	New quarterly report
Corporate Risk Register	Currently monthly, to remain the same
Tenders	As and when required
Policies	As and when required, at an appropriate level, subject to review of the policy on policy production.
Compensation payments, litigation and losses	Not to be reported as this is included in the remit of the Audit Committee
Information Governance	Currently quarterly, to remain the same
Standards for Better Health	Currently quarterly, to remain the same
PPI Committee	Currently quarterly, to continue for noting
Diversity, Equality and Human Rights	Currently quarterly, to continue for noting
Emergency Planning	Currently quarterly, to continue for noting
Health Improvement	To be confirmed
Infection Prevention	Currently standing verbal item, to be incorporated in Clinical Quality and Safety reports
Commissioning Gateway reviews	Currently quarterly, to continue for noting
Local Security Management updates	Currently quarterly, to continue for noting

3. Audit Committee

3.1 Recommended revisions to Terms of Reference

It was noted that the Terms of Reference had been reviewed relatively recently. However given the about review of Integrated Governance and Performance Committee it is important to ensure alignment of IGP revisions with the Audit Committee

Proposed revisions:

Governance, Risk Management and Internal Control

Page 2 – Delete first bullet point paragraph – this relates to assurance against Standards for Better Health and the annual declaration of compliance, which is the remit of the IGP.

Insert date revised Terms of Reference approved and date when they will be reviewed.

4. Recommendations

It is recommended that the Board approves the revised Terms of Reference for the Integrated Governance and Performance Committee including:

- Inclusion of accountability for Standards for Better Health
- Revised membership – including a member of the Audit Committee as a core member
- Revised quorum (increased from one third to one half)
- Revised relationship between the Integrated Governance and Performance Committee and the Audit Committee
- Adoption of timed agenda items and revisions to IGP agenda and reporting.

It is also recommended that the Board requests the Audit Committee to revise its Terms of Reference as recommended, given the changes to the Integrated Governance and Performance Committee

5. Appendix

New Terms of Reference for Integrated Governance and Performance Committee

Attached

INTEGRATED GOVERNANCE & PERFORMANCE COMMITTEE

TERMS OF REFERENCE

PURPOSE:

The Integrated Governance & Performance Committee (IG&P) is a formal sub-committee of the Trust Board. As an Executive Committee its purpose is to ensure delivery of the PCT's targets and strategies through integration of all the activities across the organisation required to achieve the organisation's objectives and targets, including clinical, financial, risk, information, performance, and planning.

To achieve this, the IG&P Committee will take an overview of delivery against strategies and targets, giving guidance to the organisation on remedial action and recovery plans needed; and an overview of how processes and activities are synchronized to ensure the delivery of the organisation's objectives and targets.

The IG&P Committee will provide assurance to the Board on delivery against strategic direction and targets.

ACCOUNTABILITY:

The Committee is accountable to the Trust Board and responsible for the development and maintenance of corporate accountability and delivery of the PCT's responsibilities and objectives.

TERMS OF REFERENCE:

- Ensure the development of corporate accountability and delivery of the PCT's responsibilities and objectives and provide assurance to the Trust Board on progress and delivery.
- Review and agree implementation and recovery plans, and provide direction to the organisation on early intervention/ course adjustment to ensure targets and objectives are achieved.
- Ensure the PCT's implementation of national guidance is appropriate, proportionate and integrated within the context of the PCT's strategic direction, overseeing at a corporate level, the development and implementation of individual service strategies.
- Develop and review cross-organisational/directorate/function processes and activities to ensure they are integrated, deliver corporate accountability, are fit for purpose, and working effectively.
- Integrate cross-organisational threads of clinical, financial, risk, information, performance and planning.

- Oversee the development of information intelligence, knowledge, and 'strategic dashboards' that will support the Trust Board in making decisions on progress against Strategic Objectives, fitness for purpose and governance.
- Take responsibility for the declaration of compliance with Standards for Better Health and assurance to the Board on the accuracy and evidence base for the declaration.
- Oversee the development of processes that allow the PCT to adequately compare and benchmark itself against best practice and other organisations.
- Oversee the work of the sub-groups, ensuring that implementation is adequately and appropriately managed, including overseeing the PCT's policies and procedures for the management of risk.
- Advise on approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £100,000 over a 3-year period of the period of the contract if longer.
(To be reviewed)
- Advise on approval of individual compensation payments.
- Consider and make recommendations to the Board on action on litigation against or on behalf of the PCT.
- Advise on individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Resources (for losses and special payments) previously approved by the Board.

MEMBERSHIP:

Core membership:

- 2 Non-Executive Directors as appointed by the PCT Board
- A member of the Audit Committee 4
- Chief Operating Officer (representing the CEO)
- Director of Strategy and Redesign
- Director of Performance and Organisational Development
- Director of Resources
- Director of Health Improvement
- Director of Professional Services / Medical Director
- Director of Nursing and Clinical Development
- Director of Operations 5
- Deputy Director of Performance and Organisational Development
- Assistant Director – Healthcare Governance 6

CHAIR:

One of the Non-Executive Directors will be appointed Chair of the Integrated Governance and Performance Committee and the other Non-Executive Director who is not the member of the Audit Committee will be Vice Chair. The Non-Executive Director Chair will represent the PCT Chairman just as the Chief Operating Officer represents the Chief Executive.

QUORUM:

Quorum will be half of the core members including at least two Non-Executive Directors.

FREQUENCY:

Monthly – approximately 2 weeks before the Trust Board meeting

STRUCTURE OF SUB-GROUPS:

The following groups will report to the IG&P Committee:

- Clinical Quality and Safety Committee
- Performance and Planning Group
- PPI Committee
- Diversity, Equality and Human Rights Committee
- Emergency Planning Group
- Health and Safety Fire and Security

⁴ This will ensure that sufficient financial expertise is brought to IGP.

⁵ Included but this will be reviewed periodically in order to maintain an appropriate level of contestability.

⁶ For specific items or to deputise for a core member

RELATIONSHIPS WITH OTHER COMMITTEES:

Audit Committee: The Audit Committee have responsibility for providing the PCT board with an independent and objective view of internal control and will scrutinise the work of the Integrated Governance and Performance Committee. A member of the Audit Committee will be a core member of the Integrated Governance and Performance Committee to ensure the benefits of cross committee membership.

Trust Board: The Trust Board has responsibility for strategy-setting, financial performance, and overall governance of the PCT. The IG&P Committee is responsible for course-correction

Sub-Groups/Other PCT Groups: These groups are responsible for implementing strategies and action plans. The IG&P Committee will review the processes and outcomes of these groups to ensure that the PCT's strategic objectives are achieved. Whilst the IG&P Committee is an executive body, it is not intended to become a decision-making body for the implementation groups.

Terms of Reference Approval date:

Review date: