

NHS Highland



Meeting: NHS Highland Board

Meeting date: 31 January 2023

Title: Annual Review of Code of Corporate Governance

Responsible Executive/Non-Executive: Pam Dudek, Chief Executive

Report Author: Ruth Daly, Board Secretary

1 Purpose

This is presented to the Board for:

- Assurance

This report relates to a:

- Legal requirement
- Local policy

This report will align to the following NHSScotland quality ambition(s):

- Safe, Effective and Person Centred

This report relates to the following Strategic Outcome(s)

| | | | | | | | |
|--------------|---|---------------|--|--------------|--|-------------|--|
| Start Well | | Thrive Well | | Stay Well | | Anchor Well | |
| Grow Well | | Listen Well | | Nurture Well | | Plan Well | |
| Care Well | | Live Well | | Respond Well | | Treat Well | |
| Journey Well | | Age Well | | End Well | | Value Well | |
| Perform well | ✓ | Progress well | | | | | |

2 Report summary

2.1 Situation

This report proposes Board approval of revised sections of the Code of Corporate Governance which have been considered and recommended by the Audit Committee on 6 December 2022. The report has been prepared by the Board Secretary, with input from Finance colleagues, to take account of developments and changes that require to be reflected in the Code.

2.2 Background

The Board's Code of Corporate Governance is subject to an annual review, the last iteration of which was agreed by the Board in January 2022. The Code incorporates the following sections:

- (a) How Business is organised:
 - NHS Highland Board Committee Structure
 - Standing Orders for NHS Highland Board
 - Governance Committee Terms of Reference
- (b) Code of Conduct for Board Members
- (c) Standing Financial Instructions
- (d) Reservation of Powers and Scheme of Delegation
- (e) Counter Fraud Policy and Action Plan
- (f) Standards of Business Conduct for Staff

2.3 Assessment

An assessment of the elements of the Code of Corporate Governance and revisions made to sections (a), (b) and (e).

Section (a) Revisions to Governance Committee Remits

Throughout the autumn of 2022, governance Committees considered revised terms of reference. The changes to ToRs are highlighted in the appendix to this report. In particular, references to duties associated with achieving best value have been made clearer in the Clinical Governance and FRP Committee ToRs.

The revisions to the both the Remuneration Committee and Staff Governance Committee ToRs have been reviewed during December 2022 and January 2023 respectively. Once final confirmation of the changes has been given, these ToRs will be considered by the Audit Committee in March 2023 and recommended to the Board for inclusion in the Code in due course.

Section (b) Revisions to Code of Conduct for Board Members

In May 2022 the Board agreed to adopt a revised Code of Conduct for Board members as produced by Scottish Government. The new Code of Conduct has been included in the Board's Code of Corporate Governance and available on the web since early June 2022.

Section (e) Revisions to Fraud Policy and Action Plan

Revisions to the Fraud Policy and Action Plan have been made to reflect current post holders and updated contact details as well as some minor updates and clarifications to the text of the Policy.

The Audit Committee has agreed that any administrative updates to policies contained within the Code of Corporate Governance should be made throughout the year, with final clarification of any changes being swept up in the annual review.

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

| | | | |
|-------------|-------------------------------------|----------|--------------------------|
| Substantial | <input checked="" type="checkbox"/> | Moderate | <input type="checkbox"/> |
| Limited | <input type="checkbox"/> | None | <input type="checkbox"/> |

3 Impact Analysis

3.1 Quality/ Patient Care

3.2 Workforce

3.3 Financial

The Code of Corporate Governance provides a framework which defines the business principles of the NHS Board and the organisation, in support of the delivery of safe, effective, person-centred care and Quality Outcomes. The provision of robust governance arrangements is key to NHS Highland delivering on its key objectives and to improving workforce, clinical and financial governance.

3.4 Risk Assessment/Management

A risk assessment has not been carried out for this paper.

3.5 Data Protection

This report does not involve personally identifiable information.

3.6 Equality and Diversity, including health inequalities

There are no equality or diversity implications arising from this paper.

3.7 Other impacts

No other impacts

3.8 Communication, involvement, engagement and consultation

The outcome of the Review of the Code of Corporate Governance will be communicated to the wider organisation as appropriate on completion and available on the NHS Highland website.

3.9 Route to the Meeting

The contents of this report have been considered by individual governance committees. The report has been made available for the Executive Directors Group’s consideration.

4 Recommendation

The Board is invited to:

- (a) **Approve and take assurance from** the revisions to the Code of Corporate Governance as recommended by the Audit Committee:
 - proposed changes to Committee Terms of Reference as set out in the appendices to this report,
 - inclusion of the new Code of Conduct for Board members issued by Scottish Government in May 2022,
 - update to the Counter Fraud Policy and Action Plan.

- (b) **Note** that a report will be submitted to the Committee with revisions to the Staff Governance Committee ToR in due course; and
- (c) **Take assurance** that the updated Code of Corporate Governance will be published on the Board’s website after the Board meeting.

4.1 List of appendices

The following appendices are included with this report:

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- Appendix 1 revised ToR Audit Committee
- Appendix 2 revised ToR Clinical Governance Committee
- Appendix 3 revised ToR Finance, Resources & Performance Committee
- Appendix 4 revised ToR Highland Health and Social Care Committee
- Appendix 5 revised Fraud Policy and Response Plan