Northumberland, Tyne and Wear NHS Foundation Trust

Board of Directors Meeting

Meeting Date: 28 June 2017

Title and Author of Paper:
Board of Directors and Sub Committees Terms of Reference Annual Review 2017
Lisa Quinn, Executive Director of Commissioning & Quality Assurance

Executive Lead: Lisa Quinn, Executive Director of Commissioning & Quality Assurance

Paper for Debate, Decision or Information: Decision

Key Points to Note:

- The Board of Directors Terms of Reference was last reviewed at the September 2016 Board meeting.
- The Subcommittee Terms of Reference were last reviewed at the April 2016 Board meeting.
- All subcommittees have completed a self-assessment against their Terms of Reference
- All Terms of Reference have been reviewed by the respective committee or chair and are attached for approval.
- Changes have been incorporated to reflect the new arrangements for risk management across committees.

Risks Highlighted to Board :

No additional risks.

Does this affect any Board Assurance Framework/Corporate Risks?
Please state **Yes** or **No:** Yes
If Yes please outline

Assurance in relation to Corporate Governance.

Equal Opportunities, Legal and Other Implications:
None

Outcome Required:
Approval of the Terms of Reference for the Board of Directors and Sub Committees.

Link to Policies and Strategies:
Corporate Governance & Annual Governance Statement

Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Board Sub Committees Terms of Reference

1. Overview

One of the recommendations from the Independent Review of the Trust's Governance against the Well Led Framework, conducted by Deloitte, related to the scope for further improvements in relation to the Board sub Committees focus on assurance and a review of their agendas and the reports they receive.

As a result the Board of Directors conducted a review of governance early 2016 and implemented new governance arrangements approved April 2016.

Each subcommittee has completed a self-assessments against its revised terms of reference, which is available on request. The Terms of Reference for the Board of Directors meeting and subcommittees are attached for approval following their annual review.

Appendix	Committee	Change Since last approval
1	Board of Directors	None
2	Resource and Business Assurance Committee	Changes highlighted in red
3	Quality and Performance Committee	Changes highlighted in red
4	Mental Health Legislation Committee	Changes highlighted in red
5	Audit Committee	Changes highlighted in red (small wording changes)
6	Remuneration Committee	Changes highlighted in red
7	Charity Committee	Changes highlighted in red

2. Recommendation

The Board are asked to:

- Approve the attached Terms of Reference

Lisa Quinn
Executive Director of Commissioning and Quality Assurance
June 2017

Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Appendix 1

Board of Directors
Terms of Reference

Committee Name: Board of Directors

Committee Type: N/A

Timing & Frequency: Monthly

Personal Assistant to Committee: Deputy Director, Communications and Corporate Relations

Reporting Arrangements: N/A

Membership:

Chair:	Chairman	
Deputy Chair:	Vice Chair	
Members:	6 X Other Non-Executive Directors	(8 Non-Executive Members)
	Chief Executive	
	5 X Executive Directors	(6 Executive Members)
In Attendance:	Deputy Director, Communications and Corporate Relations (Board Secretary)	
Quorum:	5 members including at least 1 Executive Director and 1 Non-Executive Director	
Deputies:	Deputies required for Executive Directors (but no voting rights)	

Purpose:
The Board of Directors is collectively responsible for the exercise of powers and the performance of the Foundation Trust. The general duty of the Board and of each director individually, is to act with a view to promoting the success of the organisation so as to maximise the benefits for members of the Foundation Trust as a whole and for the public. Its role is to provide entrepreneurial leadership of the Foundation Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed.

Governance Rules and Behaviours:
Collective responsibility/decision making, arbitrated by the Chairman i.e. all members of the Board have joint responsibility for every decision of the Board regardless of their

individual skills or status. This does not impact on the particular responsibilities of the Chief Executive Officer as the Accounting Officer. In addition all directors must take decisions objectively and in the best interests of the Foundation Trust and avoid conflicts of interest.

- As part of their role as members of a unitary Board, all directors have a responsibility to constructively challenge during Board discussions and help develop proposals on priorities, risk, mitigation, values, standards and strategy. In particular NEDS should scrutinise (i.e. assess and assure themselves of) the performance of the Executive Management Team in meeting agreed goals and objects, receive adequate information and monitor the reporting performance, satisfying themselves as to the integrity of financial, clinical and other information, and make sure the financial and clinical quality controls, and systems of risk management and governance are robust and implemented.
- Compliance with the Foundation Trusts Standing Orders and Monitor's Code of Governance.
- Members to speak through the Chair, addressing through the chairman using that title.
- Agenda timings may be prioritised to accommodate outside speakers and non-members.
- All members are expected to attend-absenteeism is an exception.
- Meetings will start and end on time.
- Papers to be presented should be concise with the purpose clearly articulated. Papers that have been subject to committee scrutiny should be in the form of a brief summary.
- All blackberries, mobiles must be switched off unless expressly agreed by the Chair.
- Authority to cancel meeting: Chair
- Access to any information, senior management and other employees necessary to discharge its duties.

Scope:

The Board of Directors is responsible for:

- Ensuring the quality and safety of healthcare services, education, training and research delivered by the Foundation Trust and applying the principles and standards of clinical governance set out by the Department of Health, NHS England, the Care Quality Commission and other relevant NHS bodies.
- Setting the Foundation Trust's vision, values and standards of conduct and ensure that its obligations to its members, patients and other stakeholders are understood, clearly communicated and met. In developing and articulating a clear vision for the Foundation Trust, it should be a formally agreed statement of the Foundation Trust's purpose and intended outcome which can be used as a basis for the Foundation Trust's overall strategy, planning and other decisions.
- Ensuring compliance by the Foundation Trust with its licence, its constitution, mandatory guidance by Monitor, relevant statutory requirements and contractual obligations.
- Setting the Foundation Trusts strategic aims at least annually, taking into consideration the views of the Council of Governors, ensuring that the necessary

financial and human resources are in place for the Foundation Trust to meet its priorities and objectives and then periodically reviewing progress and management performance.
- Ensuring that the Foundation Trust exercises its functions effectively, efficiently and economically.

Authority: Decision making

Deliverables:

Leadership
-Clear vision and strategy (implement and communicate)
-Excellent employer (Workforce Strategy, implementation and operation)
-Effective Board and Committee structures, clear lines of reporting and accountability (implement)

Culture, Ethics and Integrity
-Set values (including widely communicating and adherence)
-Promote a patient centred culture of openness, transparency and candour
-Maintain high standards of corporate governance and personal integrity in the conduct of business.
-Application of appropriate ethical standards in sensitive areas eg R &D.
-Establish appeals panel as required by employment policies.
--Adherence of directors and staff to codes of conduct.

Strategy
-Strategic vision, aims and objectives (set and maintain)
-Determine nature and extent of risk willing to take in achieving strategic objectives.
-Monitor and review management performance to ensure objectives are met.
-Oversee the delivery of planned services and achievement of objectives.
-Annual Business Plan(develop, maintain, deliver with due regard to the views of the Council of Governors)
-National policies and strategies (address and implement)

Quality
-Achieve quality of service responsibilities for clinical effectiveness, patient safety and experience.
-Intolerance of poor standards and fosters a culture which puts the patients first.
-Engage with stakeholders (including staff and patients) on quality issues and ensure appropriate escalation and dealing with issues.

Finance
-Foundation Trust operates effectively, efficiently, economically.
-Continuing financial viability.
-Resources properly managed and financial responsibilities achieved.
-Achieve targets and requirements of stakeholders within available resources.
-Review performance identifying opportunities for improvement **and** ensuring opportunities taken.

Governance and Compliance

-Comprehensive governance arrangements (including resources managed/deployed, risks identified/managed, accountability).
-Comply with governance and assurance obligations in delivering clinically effective, personal and safe services, taking into account patient and carer experiences and maintaining the dignity of those cared for.
-Comply with principles, standards and systems of corporate governance having regard to Monitor guidance and codes of conduct, accountability and openness applicable to Foundation Trusts.
-Compliance with all paragraphs of Monitor's Licence condition re governance arrangements.
-SOs, SFIs, Schedule of matters reserved for decision by the Board, etc (formulate, implement and review).
-Mental Health Act and other statutory requirements (manage/comply).
-Statutory duties (effectively discharged)
-Required returns and disclosures made to the regulators.

Risk Management

-Effective system of integrated governance, risk management and internal control across all clinical and corporate activities.
-Sound processes and mechanisms re effective user and carer involvement in development of care plans, review of quality of services and development of new services.
-Appropriate appointment and evaluation arrangements for senior positions.

Communication

-Effective communication channel between Foundation Trust Governors, members and staff and local community.
-Meet engagement obligations re Council of Governors and members to ensure Council of Governors equipped with skills and knowledge needed to undertake role.
-Hold meetings in public except where public is excluded for "special reasons".
-Sharing of Board agenda and minutes with Council of Governors and communicate non-confidential Board proceedings publicly, primarily through web site.
-Hold an Annual Members Meeting in public.
-Information on service strategies and plans (effective dissemination and feedback).
-Publish an Annual Report and Annual Accounts.
-Publish an Annual Quality Account

Sub Groups:

The Board will be responsible for reviewing and authorising both standing and time limited committees and their agenda. The following Committees will report to the Board: Audit, Quality and Performance, Mental Health Legislation, Remuneration and Resource and Business Assurance Committee.
The following Working Group will report to the Board: Strategy.

Review: Date of Last Review:

Board of Directors September 2016

Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Appendix 2

Sub-Committee of the Board of Directors
Terms of Reference

Committee Name: Resource and Business Assurance Committee

Committee Type: Standing sub-committee of Board of Directors

Timing & Frequency: Quarterly, Wednesday of week prior to Board of Directors meeting

Personal Assistant to Committee: PA to Director of Finance/Deputy Chief Executive

Reporting Arrangements: Minutes and Report from Chair to Board of Directors

Membership:	
Chair:	Non-Executive
Deputy Chair:	Non-Executive
Members:	4 Executive Directors- Deputy Chief Executive/Director of Finance Executive Director of Nursing and Operations Executive Director of Workforce and Organisational Development Executive Director Commissioning and Quality Assurance The Executive Medical Director will attend as required
In Attendance:	Group Triumvirate Director Representation (3) Deputy Director of Finance and Business Development Managing Director, NTW Solutions Limited Director of Informatics Head of Income and Contracted Services 1 Governor PA to Committee
Quorum:	Chair or Deputy Chair 2 Executive Directors
Deputies:	Deputies Required for all members and those in attendance

Purpose:
Provide assurance to the Board that:

- The Trust has effective systems and processes in place to secure economy,

efficiency and effectiveness in respect of all resources, supporting the delivery of the Trust's Strategy and Operational Plans.

- There is a clear understanding of current and emerging risk to that delivery and that strategic risk in relation to the effective and efficient use of resources and the long term sustainability of the Trust and its services are being managed.

Scope:

- Oversee and assure delivery against the Trust's financial targets, including the Financial Delivery Plan and the impact of in year delivery on key financial strategic risk.
- Oversee and assure arrangements for quality impact assessments (pre and post implementation) in respect of the Financial Delivery Plans and Business Developments which ensure the impact of initiatives on quality are monitored on an ongoing basis with mitigating actions taken when necessary.
- Oversee arrangements for financial reporting, cash management, internal control and business planning to ensure that they comply with statutory, legal and compliance requirements and that they are developing towards best practice. Ensure that that there is a clear understanding of current and emerging risks and that actions are in place to maintain and continually improve the organisation's position as a high performing Trust for the use of resources.
- Oversee and assure the Trust's delivery of the Capital Programme in the light of service development plans, risk and quality issues, and in line with the Trust's Strategy and Operational Plans and the management of strategic risks.
- Oversee and assure arrangements for managing contractual relationships with Commissioners of services and ensure that there is a clear understanding of current and emerging risks.
- Oversee and assure delivery against specific aspects of the Trust's Workforce Strategy/performance standards ensuring that the Trust has the workforce resources and capacity to deliver the Trust's Strategy and Operational Plans eg workforce planning, recruitment and retention, organisational development, education, training and equality and diversity. Ensure that there is a clear understanding of current and emerging risks.
- Oversee and assure arrangements relating to effective risk evaluation in decision making, and to oversee the development of significant investment and development proposals on behalf of the Board of Directors, including major projects, business case development, commercial partnerships and tenders. Also to receive assurance on effective financial modelling for major tenders, effective project implementation and post project evaluation.
- Oversee and assure arrangements relating to the review the Trust's Marketing Strategy and ensure that the strategy is in line with overall strategic and operational priorities and addresses emerging and strategic market risks.
- To receive assurance that proper arrangements are in place for the procurement of goods and services and that there is a clear understanding of current and emerging risks.

- To receive assurance that proper arrangements are in place for the management of the Trust's estate and that the infrastructure, maintenance and developmental programme supports the Trust's Strategy, Operational Plans and legal and statutory obligations. Ensure that there is a clear understanding of current and emerging risks.
- To receive assurance that proper arrangements are in place for the management of the Trust's Information Technology and Infrastructure, maintenance and development programme ensuring it supports the Trust's Strategy and Operational Plans, including delivery of improvement and efficiency objectives, and the fulfilment of legal and statutory obligations. Ensure that there is a clear understanding of current and emerging risks.
- To receive assurance that cash investment decisions are made in line with the Treasury Management Policy, and to review changes to this Policy, where appropriate.
- To receive assurance that appropriate arrangements are in place for insurance against loss across all Trust activities.
- To receive assurance that appropriate arrangements are in place to ensure the delivery of effective services by key workforce strategic partners ie Capsticks and Team Prevent.
- Receive for assurance purposes routine reports from all standing sub groups and any other relevant reports/action plans in relation to current issues.
- Contribute to the maintenance of the Trust's Corporate Risk Register and Board Assurance Framework by ensuring that the risks that the Resource and Business Assurance Committee are responsible for are appropriately identified and effective controls are in place and that strategic risk in relation to the effective and efficient resources, and the long term sustainability of the Trust and its services are being managed.
- Each Subcommittee of the Board of Directors takes on the following role for Risks pertaining to their area of focus:
    - Review the management of the Corporate Risk Register and the Groups top risks;
    - Review the Board Assurance Framework to ensure that the Board of Directors receive assurances that effective controls are in place to manage corporate risks;
    - Report to the Board of Directors on any significant risk management and assurance issues.

Authority: To act on behalf of the Board to receive assurances that effective arrangements are in place to manage those areas within the Committee's scope across the organisation.

Deliverables:
Assurance to the Board that:

- Effective systems and processes are in place to deliver the Trust's Financial Strategy and targets (including the Trust's capital resources) and that there is a clear understanding of current and emerging risk to that delivery.
- Effective systems and processes are in place in respect of quality impact assessments (pre and post implementation) in respect of the Financial Delivery Plans and Business Developments.
- Effective systems and processes are in place to ensure the Trust's delivery against specific aspects of the Trust's Workforce Strategy/performance standards ensuring that the Trust has the workforce resources and capacity to deliver the Trust's Strategy and Operational Plans and that there is a clear understanding of current and emerging risk to that delivery.
- Effective systems and processes are in place to ensure that legislative, mandated (e.g. CQC, CQIN) and best practice workforce, organisational development, education, training and equality and diversity related outcomes are being delivered.
- Effective services are delivered by key workforce strategic partners ie Capsticks and Team Prevent.
- Effective systems and processes are in place to manage commercial activity and business development, in line with the Trust's Strategy, Operational Plans, Trust policies and Monitor requirements, including major projects, business case development, tendering and post project evaluation arrangements and that there is a clear understanding of current and emerging risks.
- Effective systems and processes are in place for managing contractual relationships with Commissioners of services and that there is a clear understanding of current and emerging risks.
- Effective systems and processes are in place for the procurement of goods and services and that there is a clear understanding of current and emerging risks.
- That Estates and Information Technology infrastructure, systems and processes are designed, delivered and maintained to support the delivery of the Trust's Strategy and Operational Plans and that there is a clear understanding of current and emerging risks.
- The risks, that the Resource and Business Assurance Committee are responsible for, are appropriately identified and effective controls are in place and that strategic risk in relation to the effective and efficient resources, and the long term sustainability of the Trust and its services are being managed.

Sub Groups:
Project Boards
Links to CDT, Operational Groups and Integrated Business Development Group

Review:

Date of Last Review: April 2016

Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Appendix 3

Sub-Committee of the Board of Directors
Terms of Reference

Committee Name: Quality and Performance Committee (Q&P)

Committee Type: Standing sub-committee of Board of Directors

Timing & Frequency: Bi-monthly, Wednesday of week prior to Board of Directors meeting

Personal Assistant to Committee: Regulation/Performance Compliance Officer

Reporting Arrangements: Minutes and Report from Chair to Board of Directors

Membership:	
Chair:	Non-Executive
Deputy Chair:	Non-Executive
Members:	3 Executive Directors- Executive Director of Nursing and Operations Executive Medical Director Executive Director Commissioning and Quality Assurance
In Attendance:	Group Triumvirate Director Representation (3) 2 named Officers- Deputy Director of Commissioning and Quality Assurance Chief Pharmacist/Controlled Drugs Accountable Officer Director of Research, Innovation and Clinical Effectiveness 1 Governor PA to Committee
Quorum:	Chair or Deputy Chair 2 Executive Directors
Deputies:	Deputies Required for all members

Purpose:
Provide assurance to the Board that:

- The Trust has effective systems and processes in place for the management of risk, safety quality and performance across the Trust.
- The Trust has an effective Assurance/Performance Framework.
- The Trust complies with the law, best practice, governance and regulatory standards which are within the Committee's scope.

Scope:

- Oversee and assure the successful implementation of key quality and performance strategies, programmes of work and systems.
- ~~Oversee and assure the Trust's risk management system including the maintenance and management of effective Group Risk Registers, Corporate Risk Registers and Board Assurance Framework to ensure that the Board of Directors receives assurances that effective controls are in place to manage corporate risks.~~
- Gain assurance that the Trust's action plans in relation to compliance and legislative frameworks, which are within the scope of the Committee, are robust, completed and signed off.
- Oversee and assure the implementation of NICE Guidance and other nationally agreed guidance as the main basis for prioritising Clinical Effectiveness.
- Monitor through its various sub groups the Trust's continued compliance with the CQC's Fundamental Standards.
- Monitor compliance against the Coroners Amended Rules 2008, in particular to the amendment to Regulation 28, whereby the Trust will respond within 56 days.
- Gain assurance from each of the Operational Groups that they have effective systems and processes in place to ensure standards of care, compliance with relevant standards, quality, risk and assurance arrangements.
- Monitor through a review of periodic thematic reports themes and trends relating to quality issues including Serious Incidents, Incidents, Near Misses and Complaints gaining assurance regarding lessons learnt and changes in practice/service improvement.
- Gain assurance that information from patient and carer experience is informing service improvement.
- Gain assurance that information from staff experience is informing service improvement.
- Gain assurance through periodic exception reports from the Committee's Sub Groups, as to their effectiveness in delivering their Terms of Reference.
- Gain assurance through annual reports on specific areas, which are within the scope of the Committee, on compliance with best practice, national standards and legislative frameworks.eg Controlled Drugs report from the Accountable Officer, Information Governance, Caldicott etc.
- Gain assurance regarding the effectiveness of the systems and processes

relating to Clinical Audit and Board Assurance Framework audits.

- Receive routine updates from the Quality Scrutiny Group to ensure the Committee has links to relevant service user/carer and Governor forums.
- Each Subcommittee of the Board of Directors takes on the following role for Risks pertaining to their area of focus:
    - Review the management of the Corporate Risk Register and the Groups top risks;
    - Review the Board Assurance Framework to ensure that the Board of Directors receive assurances that effective controls are in place to manage corporate risks;
    - Report to the Board of Directors on any significant risk management and assurance issues.

Authority:
To act on behalf of the Board to receive assurances that effective arrangements are in place to manage those areas within the Committee's scope across the organisation.

Deliverables
Assurance to the Board re:

- The successful implementation of key quality and performance strategies, programmes of work and systems.
- That there is an effective risk management system operating across the Trust including Group Risk Registers, a Corporate Risk Register and Board Assurance Framework which provides assurances to the Board that effective controls are in place to manage corporate risks.
- The Trust's action plans in relation to compliance and legislative frameworks are robust and completed/signed off, with the exception of areas covered by the Resource and Development Committee and Mental Health Legislation Committee.
- The implementation of NICE Guidance and other nationally agreed guidance are the main basis for prioritising Clinical Effectiveness.
- The Trust's continued compliance with the CQC's Fundamental Standards.
- Compliance against the Coroners Amended Rules 2008.
- Standards of care, compliance with relevant standards and quality and risk arrangements in each Operational Group.
- That information from patient and carer experience, including themes and trends, is informing service improvement.
- That information from staff experience, including themes and trends, is informing service improvement.
- The operation of all standing sub groups and delivery of any relevant reports/action plans in relation to current issues.
- The management and use of Controlled Drugs within the Trust and across the local prescribing interface with the statutory Local Intelligence Network.
- The Committee has links to relevant service user/carer and Governor

Forums.

- Effective systems and processes are in place with regard to clinical audits and Board Assurance Framework audits including robust processes to ensure recommendations and action plans are completed.
- The risks, that the Quality and Performance Committee are responsible for, are appropriately identified and effective controls are in place.

Sub Groups:
Safety, Experience, Caldicott and Health Informatics, Medicines Management, Clinical Effectiveness, Research and Development, Workforce, Training and Development, Safeguarding and Public Protection, Physical Health Group, and Group Quality and Performance Committees
Also links with Quality Scrutiny Group, CQC Compliance Group and Risk Management Sub Group of CDT

Review:
Date of Last Review: April 2016

Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Appendix 4

Sub-Committee of the Board of Directors
Terms of Reference

Committee Name: Mental Health Legislation Committee

Committee Type: Standing sub-committee of Board of Directors

Timing & Frequency: Quarterly, Wednesday of week prior to Board of Directors meeting

Personal Assistant to Committee: PA Directorate

Reporting Arrangements: Minutes and Report from Chair to Board of Directors

Membership:	
Chair: **Deputy Chair:** **Members:**	Non-Executive Non-Executive 3 Executive Directors- Executive Medical Director Executive Director of Nursing and Operations Executive Director Commissioning and Quality Assurance
In Attendance:	Group Triumvirate Director Representation (3-1 from Specialist,1 from In patients,1 from Community) Medical Director responsible for the Mental Health Act Non-Medical Responsible Clinician Heads of Mental Health Act CYPS Representative 1 Governor PA to Committee
Quorum:	Minimum of 6 members including 2 Board members, 1 must be a Non-Executive Director
Deputies:	Deputies Required for all members

Purpose:
Provide assurance to the Board that:

- There are systems, structures and processes in place to support the operation of Mental Health Legislation within inpatient and community settings, and to ensure compliance with associated code of practice and recognised best practice.
- The Trust has in place and uses appropriate policies and procedures in relation to Mental Health Legislation and to facilitate the publication and guidance of the legislation to all relevant staff, service users, carers and managers.
- Hospital Managers and appropriate staff groups receive guidance, education and training in order to understand and be aware of the impact and implications of all new relevant mental health and associated legislation.

Scope:

- Ensure the formulation of Mental Health Act Legislation Steering Group and receive quarterly assurance reports on the Mental Health Legislation Steering Group's activities in relation to activities.
- Keep under review annually the Trusts "Delegation of Statutory Functions under the Mental Health Act 1983" policy including the Schedule of Delegation appended to that policy.
- Receive and review the Mental Health Act Activity Report.
- Receive assurance from the Mental Health Legislation Steering Group that the Trust is compliant with legislative frameworks and that there are robust processes in place to implement change as necessary in relation to Mental Health legislation and report on ongoing and new training needs.
- Receive the results in relation to the monitoring of policies linked to the Mental Health Act and Mental Capacity Act legislation and monitor any associated action plans.
- Consider and recommend the Annual Audit Plan in relation to Mental Health Legislation.
- Receive assurance that new law guidance and best practice is disseminated and actioned appropriately.
- Each Subcommittee of the Board of Directors takes on the following role for Risks pertaining to their area of focus:
    - Review the management of the Corporate Risk Register and the Groups top risks;
    - Review the Board Assurance Framework to ensure that the Board of Directors receive assurances that effective controls are in place to manage corporate risks;
    - Report to the Board of Directors on any significant risk management and assurance issues.

Authority:
To act on behalf of the Board to receive assurances that effective arrangements are in place with regard to those areas within the Committee's scope across the organisation.

Deliverables:
Assurance to the Board re:

- The effective implementation of Mental Health Legislation within inpatient and community settings and compliance with associated Codes of Practice.
- The necessary policies and procedures in relation to mental health legislation are in place, updated and reviewed in line with legislative changes.
- The Trust's "Delegation of Statutory Functions under the Mental Health Act 1983" policy including the Schedule of Delegation appended to that policy, is reviewed annually.
- The Trust's compliance with requirements of the Mental Health Act and Mental Capacity Act Codes of Practice in respect of the intelligent mental health legislation and activity and monitoring reports.
- The Trust's compliance with legislative frameworks and that robust processes are in place to implement change as necessary in relation to Mental Health Legislation and reporting on ongoing and new training needs.
- Effective systems and processes are in place in respect of the monitoring of policies linked to the Mental Health Act and Mental Capacity Act legislation including robust processes to ensure recommendations and action plans are completed.
- Effective systems and processes are in place in respect of the dissemination and auctioning of new law guidance and best practice.
- The risks that the Mental Health Legislation Committee are responsible for, are appropriately identified and effective controls are in place.

Recommend the Annual Audit Plan in relation to Mental Health Legislation to the Audit Committee.

Sub Groups:
Mental Health Act Legislation Steering Group
Any other task and finish sub groups

Review:
Date of Last Review: January 2016

Appendix 5

Sub-Committee of the Board of Directors
Terms of Reference

Committee Name: Audit Committee

Committee Type: Standing sub-committee of Board of Directors

Timing & Frequency:

- Minimum requirement of 5 times per year. If required, meetings may be held by conference call with the approval of the Committee Chair
- 7 meetings scheduled around known events and the Board cycle (April, May, July, September, November, February and March)
- At least annually, the Committee should meet privately with external and internal Auditor
- The Trust Chief Executive, External Auditors or Head of Internal Audit may request an additional meeting if they consider one necessary

Committee Secretary: Deputy Director, Communications and Corporate Relations
Reporting Arrangements: Minutes and Report from Chair to Board of Directors

Membership:	
Chair:	Non-Executive
Deputy Chair:	Non-Executive
Members:	3 Non Executives in total, including the Chair and Deputy Chair. (The Trust Chair may not be a member of the Audit Committee and at least one member must have recent and relevant finance experience)
In Attendance:	Executive Director of Finance Executive Director of Commissioning and Quality Assurance Director of Finance, NTW Solutions Deputy Director Communications and Corporate Relations Minimum of 1 Governor (observer) ~~PA to Committee~~
When required:	The Chief Executive, Executive Directors and staff may attend. In particular the Chief Executive should attend meetings to discuss the process for assurance that supports the Governance Statement. The Chief Executive should also attend when considering the draft Annual Governance Statement and the Annual Report

Non staff in attendance: **Quorum:** **Deputies:**	and Accounts. External Auditor representative(s) Internal Auditor representative(s) Local Counter Fraud Specialist(s) 2 members No Deputies for members Deputies may be required for attendees

Purpose:
To provide assurance to the Board of Directors that effective internal control arrangements are in place for the Trust and its subsidiary companies. The Committee also provides a form of independent check upon the executive arm of the Board of Directors. The Accountable Officer and Executive Directors are responsible for establishing and maintaining processes for governance. The Committee independently monitors, reviews and reports to the Board of Directors on the process of governance, and where appropriate, facilitates and supports, through its independence, the attainment of effective processes.

Governance, rules and behaviours:
The Committee is authorised by the Board of Directors to:

- Investigate any activity within its Terms of Reference.
- Seek any information it requires from any employee of the Trustor its subsidiary companies (who are directed to co-operate)
- Obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant experience and expertise it considers necessary.
- The Head of Internal Audit, representative of External Audit and counter fraud specialists have a right of access to the Chair of the Committee.
- The Committee has delegated authority from the Council of Governors to activate the policy for the engagement of the External Auditor to undertake additional services.
- Compliance with Monitor's Code of Governance and NHS Audit Committee Handbook (unless inappropriate).
- Collective responsibility/decision making, arbitrated by the Chair of the Committee
- Authority to cancel meeting: Chair of the Audit Committee

Scope:
Integrated Governance, Risk Management and Internal Control: Oversee the risk management system and obtain assurances that there is an effective system operating across the Trust. Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the Trust and Subsidiary Companies that supports the achievement of the

organisations objectives (both clinical and non-clinical). In particular the Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit opinion, External Audit opinion or other appropriate independent assurances, prior to submission to the Board of Directors.
- The underlying assurance processes that indicates the degree of achievement of the organisation's objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and any related reporting and self-certification.
- The policies and procedures for all work related to fraud as required by NHS Protect.
- In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit, local Counter Fraud Specialists and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching 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 audit and assurance functions that report to it.
- As part of its integrated approach, the Committee will have effective relationships with other key Committees so that it understands processes and linkages. However these other Committees must not usurp the Committees role.

Internal Audit: Ensuring an effective Internal Audit function that meets the Public Sector Internal Audit Standards and provides independent assurance to the Audit Committee, Chief Executive and Board of Directors. This will be achieved by:

- Consideration of the provision of the Internal Audit function and the costs involved.
- Review and approval of the Internal Audit Plan, 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 managements response), and ensuring co-ordination between the internal and external auditors to optimise audit resources.
- Ensuring that the function is adequately resourced and has appropriate standing within the organisation.
- Monitoring the effectiveness of internal audit and carrying out an annual review.

Counter Fraud: Ensuring adequate arrangements are in place for countering fraud and reviewing the outcomes of counter fraud work. This will be achieved by:

- Consideration of the provision of the counter fraud function and the costs

involved.

- Review and approval of the counter fraud strategy, annual work plan and the three year risk based local proactive work plan.
- Consideration of the major findings of counter fraud proactive work (and management responses), review of progress against plans and the annual report on arrangements.
- Ensuring that the function is adequately resourced and has appropriate standing within the organisation.
- Monitoring the effectiveness of the counter fraud function and carrying out an annual review, taking into account the outcome of the NHS Protect quality assessment of arrangements.

External Audit: The Committee shall review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process. In particular review the work and findings of the external auditors and consider the implications and management responses to their work. This will be achieved by:

- Discussion and agreement with the External Auditors, before the audit commences, of the nature and scope of the audit as set out in the annual plan.
- Discussion with the External Auditors of their evaluation of audit risks and assessment of the Trust and impact on the audit fee.
- Review all reports, including the reports to those charged with governance arrangements, including the annual management letter before submission to the Board of Directors and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.
- Support the Council of Governors with their duty to appoint, re-appoint and remove the External Auditors as stipulated by Monitor's Code of Governance.
- Develop and implement a policy, with Council of Governors approval, that sets out the engagement of the External Auditors suppling non-audit services. This must be aligned to relevant ethical guidance regarding the provision of non-audit services by the External Audit firm.

Other Assurance Functions: Review the findings of other significant assurance functions, both internal and external to the organisation, and consider governance implications. These will include, but will not be limited to:

- Reviews by the Department of Health Arm's Length Bodies or regulators/inspectors (e.g. CQC, NHSLA, etc.) and professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc)
- Review the work of other Committees within the Trust at its Subsidiary Companies, whose work can provide relevant assurance to the Audit Committee's own areas of responsibility. In particular, this will include the Committee with the remit for clinical governance, risk management and quality.
- In reviewing the work of the aforementioned Committees, and issues around clinical risk management, the Audit Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

Management: Request and review reports, evidence and assurances from directors and managers on the overall arrangements for governance, risk management and internal control. Request specific reports from individual functions within the organisation (e.g. clinical audit).

Financial Reporting: Monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance. The Committee should also ensure that the systems for financial reporting to the Board of Directors, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board of Directors.

Review the Trust's internal financial controls and review the Annual Report and financial statements before submission to the Board of Directors, focusing particularly on:

- The wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee.
- Changes in, and compliance with, accounting policies, practices and estimation techniques.
- Unadjusted miss-statements in the financial statements.
- Significant judgements in preparation for financial statements.
- Letter of representation.
- Explanation for significant variances.

Quality Accounts: Review the draft Quality Accounts before submission to the Board of Directors for approval, specifically commenting on:

- The robustness of the processes behind the Quality Accounts.
- Compliance with the requirements of the NHS Reporting Manual.
- The findings and conclusion of limited assurance report from the External Auditor.
- The content of the Governors' report to Monitor and the Council of Governors.
- Supporting controls e.g. data quality, if appropriate.

Whistle blowing: The Committee shall review the effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and ensure that such concerns are investigated proportionately and independently. This will include specific processes quoted in Monitor's Code of Governance.

Reporting: In addition to the reporting to the Board of Directors on how the Committee discharges its duties after every meeting, the Committee will report to:

1. The Board of Directors annually on its work in support of the Annual Governance Statement, specifically commenting on:

- The fitness for purpose of The Assurance Framework.
- The completeness and embeddedness of risk management in the organisation.
- The integration of governance arrangements.
- The appropriateness of the evidence that shows the organisation is fulfilling regulatory requirements relating to the its existence as a functioning business, and
- The robustness of the processes behind the Quality Accounts.

- The Council of Governors, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

2. The Council of Governors annually on:

- The Engagement Letter and fees.
- The Annual Management Letter.
- An assessment of the External Auditor's work and fees commenting on whether the work is of a sufficiently high standard and the fees are reasonable and including a recommendation with respect to the retention of the auditor.

The Audit Committee Annual Report should also describe how the Committee has fulfilled its Terms of Reference and give details of any significant issues that the Committee considered in relation to the financial statements and how they were addressed along with other responsibilities specified in Monitor's Code of Governance.

Monitoring: The Committee will review its performance annually against its Terms of Reference.

Authority:
The Committee independently reviews subjects within its Terms of Reference, primarily by receiving reports from the external auditor, internal auditor, local counter fraud specialist, management and any other appropriate assurances. Depending on the purpose of the report the Committee may:

- Note and/or accept issues, the position, progress or assurance
- Approve/agree arrangements
- Require further information or monitoring/ actions
- Recommend approval to the Board of Directors
- Highlight key issues to the Board of Directors

Deliverables:
Assurance to the Board re:

Integrated Governance, Risk Management and Internal Control: The establishment and maintenance of an effective system of integrated governance, risk management and internal control across the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisations objectives.
Internal Audit: An effective Internal Audit function that meets the Public Sector Internal Audit Standards and provides independent assurance to the Audit Committee, Chief Executive and Board of Directors.
Counter Fraud: That the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work.
External Audit: External Auditor's independence and objectivity and the

effectiveness of the audit process.
Other Assurance Functions: The findings of other significant assurance functions, both internal and external to the organisation and the implications for the governance of the organisation are considered. That the work of other Committees within the organisation provide relevant assurance to the Audit Committee's own areas of responsibility. The clinical audit functions effectiveness in terms of providing assurance regarding issues around clinical risk management.
Management: The overall arrangements for governance, risk management and internal control, having regard to evidence and assurances provided by directors and managers and specific reports from individual functions within the organisation (e.g. clinical audit).
Financial Reporting: The integrity of financial statements, systems for financial reporting, internal financial controls, the Annual Report and financial statements, including the wording of the Annual Governance Statement.
Quality Accounts: The draft Quality Accounts before submission to the Board of Directors for approval.
Whistle blowing: Effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and subsequent investigations.
Reporting: An Annual Report will be presented to the Board of Directors on its work in support of the Annual Governance Statement.

Sub Groups:	None
Linkages to:	Board of Directors Other Sub Committees of the Board Corporate Decisions Team Council of Governors

Review: The terms of reference of the Audit Committee will be reviewed at least annually

Date of Last Review: April 2016

Appendix 6

Sub-Committee of the Board of Directors
Terms of Reference

Committee Name: Remuneration Committee

Committee Type: Sub Committee of the Board of Directors

Timing & Frequency: At least once a year, quarterly and held on Wednesday of week prior to Board of Directors meeting

Committee Secretary: Deputy Director, Communications and Corporate Relations

Reporting Arrangements: Due to the confidential and sensitive information concerning members of the Board of Directors, the Board shall receive a summary report of the committee meeting (rather than committee minutes).

Membership:	
Chair:	Trust Chair
Deputy Chair:	Trust deputy Chair
Members:	All Non-Executives
In Attendance:	Deputy Director, Communications and Corporate Relations The Chief Executive and other Executive Directors shall not be in attendance when their own Terms and Conditions are discussed but may, at the discretion of the Committee attend to discuss the terms of other staff.
Quorum:	4 members
Deputies:	The Trust Vice Chair to deputise for Trust Chair but no deputies for Non-Executive Directors.

Purpose:
To decide and review the Terms and Conditions of office of the Foundation Trust's Executive Directors and comply with the requirements of NHS Improvement/ Monitor's Code of Governance and any other statutory requirements.

Governance, rules and behaviours:

- Collective responsibility/decision making arbitrated by the Chair.

- Compliance with the Foundation Trust's Standing Orders (where applicable) and NHSI/ Monitor's Code of Governance.
- ~~Members to speak through the Chair, addressing through the chairman using that title.~~
- All members are expected to attend-absenteeism is an exception.
- ~~Meetings will start and end on time.~~
- ~~Papers to be presented are to have a maximum length of 4 sides of A 4:a long document may be circulated for more detailed information where appropriate.~~
- ~~All blackberries, mobiles must be switched off unless expressly agreed by the Chair.~~
- Authority to cancel meeting: Chair

Scope:
To decide and review the Terms and Conditions of office of the Foundation Trust's Executive Directors and comply with the requirements of Monitor's Code of Governance and any other statutory requirements.

To review the arrangements for local pay Band 8C and above in accordance with national arrangements for such members of staff where appropriate.

To decide and review the terms and conditions of office for the directors of NTW Solutions.

Authority:
Decision making

Deliverables:
Decide upon, after taking appropriate advice and considering benchmarking data, appropriate remuneration and terms of service for the Chief Executive, Executive Directors employed by the Trust and Directors of NTW Solutions including:

- All aspects of salary (including any performance related elements/bonuses),
- Provisions for other benefits including pensions and cars;
- Arrangements for termination of employment and other contractual terms.

In addition, the Remuneration Committee will review the arrangements for local pay Band 8C and above in accordance with national arrangements for such members of staff where appropriate.

Ensure that remuneration and terms of service of Executive Directors takes into

account their individual contribution to the Trust, having proper regard to the Trusts circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate.

Advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of national guidance.

Receive a report on the outcomes of the appraisals for the Directors from the Chief Executive.

Ensure compliance with Monitor's Code of Governance by taking the lead on behalf of the Board of Directors on:

- The Board of Directors shall not agree to a full time Executive Director taking one or more Non-Executive directorship of an NHS Foundation Trust or any other organisation of comparable size and complexity, nor the chairman ship of such an organisation.
- The Remuneration Committee should not agree to an executive member of the Board leaving the employment of an NHS Foundation Trust, except in accordance with the Terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the Board first having completed and approved a full risk assessment.

Ensure compliance with Monitor's Code of Governance relating to the appointment of Executive Directors and the appointment and removal of the Chief Executive.

- The Chairman and other Non-Executive Directors and (except in the case of the appointment of a Chief Executive) the Chief Executive, are responsible for deciding the appointment of Executive Directors, i.e. all Executive Directors should be appointed by a committee of the Chief Executive, Chairman and Non-Executive Directors.
- It is for the Non-Executive Directors (including the Chairman)to appoint and remove the Chief Executive. The appointment of a Chief Executive requires the approval of the Council of Governors.
- The roles of the Chairman and Chief Executive must not be undertaken by the same individual.

Ensure compliance with the requirements of "NHs Employers: Guidance for employers within the NHS on the process for making severance payments".

- Prior to receiving agreement to make a special severance payment from Monitor and before presenting a paper to the HM Treasury for approval, the Trust must follow the steps outlined in the guidance and be satisfied that termination of the employees employment, together with making a severance payment, is in the best interests of the employer and represents value for money. The Remuneration Committee should consider the proposal which should contain a Business Case for the severance payment.
- The Remuneration Committee's role is to:
  - Satisfy itself that it has the relevant information before it, to make a decision.

- Conscientiously discuss and assess the merits of the case.
- Consider the payment or payment range being proposed and address whether it is appropriate taking into account the issues set out under initial considerations. The Committee should only approve such sum or range which it considers value for money, the best use of public funds and in the public interest.
- Keep a written record summarising its decision (remembering that such a document could potentially be subject to public scrutiny in various ways, for example by the Public Accounts Committee.

Sub Groups:
No Sub Groups
Linkages:
Board of Directors

Date of Last Review: April 2016

Appendix 7

CHARITY COMMITTEE

Terms of Reference

1. CONSTITUTION

1.1. Northumberland, Tyne and Wear NHS Foundation Trust ('NTW') is the trustee for a charity established under a Declaration of Trust dated December 17, 2015 (the 'Charity'). NTW is the sole corporate trustee of the Charity

1.2. The Board of Directors of NTW (the 'Board of Directors') has approved the establishment of the Charitable Fund Committee (the 'Committee') for the purpose of:

- Overseeing the governance and management affairs of the Charity on behalf of NTW; and
- Ensuring that the Charity operates within the terms of its Declaration of Trust and appropriate registration with the Charity Commission.

1.3. The Committee is accountable to the Board of Directors. Any changes to these terms of reference must be approved by the Board of Directors.

2. DUTIES

2.1. The Committee will:

- Manage the affairs of the Charity within the terms of its Declaration of Trust, governance arrangements and appropriate legislation;
- Manage the investment of funds in accordance with the Trustee Act 2000 and, if necessary, appoint fund managers to act on its behalf;
- Oversee the implementation, update and maintenance of procedures and policies required to ensure the efficient and effective operation of the Charity and in accordance with Charity Commission guidance;
- Develop the overall strategy and plans for charitable funds including setting spending targets, fundraising and investment plans;
- Ensure funding decisions and spending plans are within the agreed objects of the Charity;

- Receive regular reports on the performance of any charitable fundraising activities;

- Review and approve the annual accounts and report of the Charity, ensuring that all relevant information is disclosed;

- Review and approve any returns and information required to be submitted by legislation to the regulator (Monitor), the Department of Health or the Charity Commission;

- Advise the Board of Directors on the appointment of new members to the Committee and make arrangements to induct those new members;

- Ensure that the structure of the Charity remains appropriate and effective. Where appropriate, the Committee will make recommendations to the Board of Directors to amend the structure of the Charity.

3. MEMBERSHIP AND ATTENDANCE

3.1. The Committee will include the following members (the 'Members'):

- Two non-executive directors of NTW, one of whom will be the Chair of the Committee and the other will be the Deputy Chair of the Committee;

- The Director of Finance, Director of Nursing and Operations and Director of Commissioning and Quality Assurance;

- The Lead Governor of NTW, or another governor nominated by the Lead Governor.

Membership of the Committee will be reviewed by the Board of Directors at least each year.

3.2. Only the Members have voting rights.

3.3. If the Chair is not present, then the Deputy Chair shall chair the meeting.

3.4. In addition to the Members, the following will be in attendance:

- PA to Director of Finance, as Secretary to the Committee;

- The Head of Charity's Transactional Services, as the nominated Trust officer responsible for accounting for charitable transactions.

- The Transactional Services Manager, as the nominated Trust officer responsible for the administration of requests for funds.

3.5. Invitations may be extended to other personnel with relevant skills, experience or expertise as necessary to deal with the business on the agenda ('Co-opted Personnel'). Co-opted Personnel will be in attendance and will have no voting rights. Invitations to Co-opted Personnel may be proposed by any Member and will be extended by the Chair of the Committee if a majority of Members agree.

4. RESPONSIBILITY OF MEMBERS AND ATTENDEES

4.1. Members and attendees of the Committee have a responsibility to:

- Make every effort to attend each meeting, having read all papers beforehand;
- Act as 'champions', disseminating information and good practice as appropriate;
- Identify agenda items for consideration by the Chair and Secretary at least 12days before the meeting. The agenda for each meeting of the Committee shall be approved by the Chairman.
- Prepare and submit papers for a meeting to the Secretary of the Committee at least 8 days before the meeting;
- If unable to attend, send their apologies to the Chair and Secretary prior to the meeting;
- When matters are discussed in confidence at the meeting, to maintain such confidences;
- Declare any actual or potential conflicts of interest in accordance with NTW's and the Charity's policies and procedures;
- At the start of any meeting, declare any actual or potential conflicts of interest in respect of specific agenda items in accordance with NTW's and the Charity's policies and procedures. This must be done regardless of whether the actual or potential conflict of interest has already been declared in accordance with NTW's and the Charity's policies and procedures.

5. QUORUM

5.1. A quorum will be three Members. At least one of the Members must be a non-executive director and one must be an executive director.

5.2. When considering if the meeting is quorate, only those individuals who are members can be counted. Attendees and Co-opted Personnel cannot be considered as contributing to the quorum.

6. FREQUENCY

6.1. Meetings will normally take place at least four times per year. In addition, there will be one meeting per annum for planning and review.

6.2. Meetings of the Committee outside the cycle of quarterly meetings will be called by the Secretary at the request of any of the Members or at the request of the regulator, the Department of Health or the Charity Commission if they consider it necessary.

6.3. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member and any other person invited to attend no later than 12 working days before the date of the meeting. Supporting papers shall be sent to Members and to other attendees as appropriate at least 8 days ahead of the meeting.

6.4. If all the Members agree, meetings may be held by telephone conference call or video conference.

7. AUTHORITY

7.1. The Committee is authorised by the Board of Directors:

- To apply the charitable funds in accordance with their respective governing documents and within the budget, priorities and spending criteria determined by the Trust as corporate trustee;

- To apply a Duty of Care and to ensure compliance with:

  - The Trustee Act 2000;
  - The Charities Act 2011;
  - Terms of the Fund's governing documents;
  - The Charities (Accounts and Reports) Regulations 2008;
  - The Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) 2005;

- To agree objectives, strategies, policies and priorities for the Charity and to review these on an annual basis;

- To obtain outside legal advice or other independent professional advice and to secure the attendance of outsiders with relevant experience if the Committee consider this necessary;

- To receive regular financial reports on the performance of the Charity against its annual plan and to update the plan when necessary;

- To approve all individual charitable fund expenditure;

- To approve and monitor the progress of any appeals and to ensure that all fundraising is consistent with the Institute of Fundraising code of practice;

- To approve a Fundraising Strategy for the Charity;

- To establish and approve the terms of reference of such sub-committees, groups or task and finish groups (collectively 'Sub-Groups')as it believes are necessary to fulfil its terms of reference.

8. DELEGATED POWERS AND DUTIES OF THE DIRECTOR OF FINANCE

8.1. The Director of Finance has prime responsibility for developing and maintaining appropriate systems, procedures and controls for the Trust's Charitable Funds on behalf of the Committee.

9. AUDIT AND ASSURANCE

9.1. Assurance that the Charity is properly governed and well managed will be provided through internal audit review of Charitable Funds as part of the internal audit programme agreed by the NTW Audit Committee.

9.2. The annual report and accounts of the Charity will be audited by the external auditors of NTW.

9.3. The audit programme proposed by the external auditors and the results from the execution of the audit programme will be reviewed and approved by the Audit Committee of NTW. The associated fees for the audit programme will reviewed by the Audit Committee on NTW and a recommendation to accept, or otherwise, be made to the Committee.

10. DECISION MAKING: DISTRIBUTION OF CHARITABLE FUNDS

10.1. A scheme of delegation exists for disbursement of specific funds below £1,000. At each meeting, the Committee will monitor such disbursements of specific funds made since the last meeting to ensure that they represent an appropriate use of charitable funds.

10.2. Individual requests for all disbursement of monies from general funds and disbursements of more than £1,000 from specific funds will be sent to Members by email. Voting will be by email, copied to all Members. Such requests will be approved if a simple majority of Members vote in favour as long as at least one executive director and one non-executive director vote in favour.

10.3. The Head of the Charity's Transactional Services may bring to the immediate attention of the Committee by email any proposed disbursements from specific charitable funds where there is any uncertainty that the proposed disbursement is an appropriate use of those specific charitable funds. In such instances, the Committee should vote on the disbursement in accordance with paragraph 2, above.

10.4. In respect of other business of the Committee, wherever possible, Members will seek to make decisions and recommendations based on consensus. However, where this is not possible, then the chair of the meeting will ask for members to vote provided that nothing in the way that business is conducted is prohibited by the standing orders of NTW. In such circumstances, a simple majority on members present will prevail. In the event of a tied vote, the chair of the meeting will have a second and deciding vote.

11. REPORTING

11.1. The Committee will have the following reporting responsibilities:

- To ensure that the minutes of its meetings are formally recorded;
- Those assurance and performance management reports listed in the Committee's annual work programme;
- Any items of specific concern, or which require the Board of Directors approval, will be subject to a separate report;
- To produce an annual report for the Board of Directors setting out progress made, future developments and any charitable fund expenditure in excess of £5,000 (the 'Annual Report'). The Annual Report should also include a completed annual self-assessment and the identification of any development needs for the Committee. With the permission of the Board of Directors, the Chair of the Committee will share the annual report with the Council of Governors.

12. REPORTING GROUPS

12.1. Any Sub-Groups established will be required to submit the following information to the Committee:

- Their terms or reference for formal approval and review;
- Minutes of their meetings, together with a summary prepared by the chair of that group outlining the key issues discussed at the meeting and those issues that need to be brought to the attention of this Committee;
- Those assurance and performance management reports listed in the individual group's annual work programmes which have been agreed with, and are required by, the Committee;
- An annual report setting out the progress they have made and future development; and
- Any other report or briefing requested by the Committee.

13. REVIEW

13.1 The Terms of Reference of the Committee will normally be reviewed annually, with recommendations on changes submitted to the Board of Directors for approval.

Last reviewed by the Committee: May 2017

This version approved by the Board of Directors: March 2016