

Subject no. C101J

Chartered Secretaries Qualifying Scheme – Level One

Health Service Governance

November 2014

Thursday morning, 27 November 2014

Time allowed: 3 hours and 15 minutes
(including reading time)

Do not open this examination paper until the presiding officer or an invigilator tells you to.

You must not take this paper out of the examination room.

The examination paper contains **six** questions. Each question carries 25 marks. You must attempt **four questions only**.

In this examination, abbreviations are usually used to refer to the key terms National Health Service (NHS), Foundation Trust (FT), and Clinical Commissioning Group (CCG).

Questions

Answer **four** questions from this paper.

- 1 Smithson Clinical Commissioning Group ('Smithson') was authorised on 1 April 2013 without any conditions on its authorisation. It was a new organisation with a newly appointed governing body. During the last 18 months, the governing body has started to develop a clear strategic direction for transforming and integrating health and social care services. One of its proposals is to move some of the services closer to their geographic communities so that they can meet local priorities. At the last governing body meeting, it became clear that three of the GP members of the governing body had been in discussions with a number of GP practices in their area about forming a community interest company which could deliver some of these services.

Required

- (a) Write a paper for the chair of Smithson which outlines:

- The key guidance and existing rules for managing CCG conflicts of interest.
- The governance processes involved in declarations of interest and managing conflicts of interest.
- The governance principles to be safeguarded.

(18 marks)

- (b) Advise the chair of Smithson what steps he needs to take with regard to the conflict of interest raised by the GP members who are considering setting up the community interest company.

(7 marks)

(Total: 25 marks)

- 2 You are the company secretary of Blue Light Ambulance Services NHS Foundation Trust ('Blue Light'), which is in special measures. As a result of being in special measures, the previous chair, all of the NEDs and the CEO have recently resigned. Monitor has appointed an acting chair and interim CEO to create some stability within the organisation. The acting chair has been tasked, as a priority, with appointing a full cohort of new NEDs to provide the scrutiny and assurance that Blue Light needs. The interim CEO has already re-organised her executive team and has demoted the Director of Strategy to a non-voting board role in order to create an executive director role of Director of Governance and Risk. She has seconded two associate directors from within the organisation to be members of the executive team in the roles of Assistant Chief Executive and Director of Governance and Risk, respectively.

Required

- (a) Outline the main principles of the Monitor Code of Governance relating to the appointment processes for FT NEDs and executive directors and, in particular, highlighting any specific role played by governors in either process.

(18 marks)

- (b) Advise the chair of the FT what action should be taken in light of the changes to executive directorships and the two secondments to the executive team.

(7 marks)

(Total: 25 marks)

- 3 The newly appointed chair of Spindle Partnership NHS Foundation Trust ('Spindle') is just settling in his new role and is grappling with the significance of Spindle's Monitor risk ratings. Spindle has a continuity of services rating of 3. With regard to Spindle's governance risk rating under the Risk Assessment Framework, Monitor has requested further information before deciding next steps. It has received a report from the Royal College of Psychiatrists which provides evidence that Spindle has not complied with the Quality Governance Framework.

The chair is also aware that the Spindle has not carried out an independent evaluation of its board since October 2011. The 'Well led framework for governance reviews' guidance sets out Monitor's expectations that each NHS FT will carry out an external review of its governance arrangements (i.e. that of the board) every three years. The chair is keen to undertake such a review during his first six months in post.

Required

- (a) Outline for the new chair the Monitor Risk Assessment Framework and explain what the risk ratings are. *(16 marks)*

- (b) Set out the requirements and scope for an external review of governance, highlighting the key areas which could be covered. *(9 marks)*

(Total: 25 marks)

- 4 The audit committee of Cooperson Hospital NHS Foundation Trust ('Cooperson') has recently asked its external auditors to carry out a large piece of non-audit work relating to Cooperson's VAT liabilities. At the same time, two of the longest serving NEDs, who were members of the audit committee, have stepped down from office. This currently leaves only two NEDs on the committee. The FT chair is concerned to fill these vacancies and to understand more clearly the role of the audit committee.

Required

- (a) As trust secretary, outline the issues Cooperson's chair would need to consider regarding the composition and role of the audit committee. *(14 marks)*

- (b) Explain the threat to the independence of the auditors posed by the VAT non-audit work and outline any other possible threats to auditor independence that can arise. *(11 marks)*

(Total: 25 marks)

- 5 (a) Identify the theoretical frameworks for corporate governance and describe three of them in table format, setting out the strengths and weaknesses of each in relation to health service governance.
(18 marks)
- (b) Set out the range of external and internal stakeholders that NHS organisations need to engage with, highlighting the importance of one specific internal stakeholder and one external stakeholder.
(7 marks)
- (Total: 25 marks)
- 6 (a) Set out the basic principles and requirements of the Freedom of Information Act 2000 (FOIA), including the exemptions which the Act contains.
(15 marks)
- (b) Describe four key documents which should be made available under an NHS organisation's Model Publication Scheme. How does the availability of these documents underpin key principles of health service governance?
(10 marks)
- (Total: 25 marks)

The scenarios included here are entirely fictional. Any resemblance of the information in the scenarios to real persons or organisations, actual or perceived, is purely coincidental.

