

Subject no. C101J

Chartered Secretaries Qualifying Scheme – Level One

Health Service Governance

June 2015

Thursday morning, 4 June 2015

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 A number of CCGs have created a network forum for governance practitioners. As an experienced company secretary, you have been asked to give a presentation on the role of the company secretary or governing body secretary for CCGs. Two of the CCGs within the region utilise the services of their appointed law firms to provide this function and you have also been asked to address this approach.

Required

Set out your presentation notes on the role of the 'company secretary' or 'governing body secretary', making sure to include:

- (a) How the role has developed within the NHS, the key governance responsibilities and appointment and remuneration issues, including any issues around lines of accountability. (20 marks)
- (b) The potential conflicts raised by this role being fulfilled by law firms. (5 marks)

(Total: 25 marks)

- 2 Harrington NHS Trust ('Harrington') has been discussing the risks faced by the trust as a small district general hospital. It is planning a board development session next month, which will look at this in further detail.

Required

The chair has asked you as the trust secretary to draft a briefing note, in which you:

- (a) Describe each of the following risks in the health sector, giving examples of each:
- business risk;
 - internal control risk;
 - operational risk;
 - clinical risk; and
 - non-clinical risk.

(16 marks)

- (b) Explain the board's responsibilities for risk management and, in particular, explain the impact of the *Financial Reporting Council (FRC) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (2014)* on evaluating the effectiveness of the Harrington risk management and internal control systems.

(9 marks)

(Total: 25 marks)

- 3 You are an independent governance consultant advising Rackmore Clinical Commissioning Group ('Rackmore') as part of a governance review after its first two years in operation. Rackmore's level of involvement with patients and the public has been identified as a key area of weakness. As Rackmore will need to consider significant reconfiguration of services in order to achieve financial viability, the governing body has asked for a formal report setting out its responsibilities with regard to patient and public involvement.

Required

Write a report addressing the following issues:

- (a) A CCG's 'duty to involve' and the range of internal and external stakeholders that Rackmore might need to consider. *(12 marks)*
- (b) Principles of good practice in involvement of patients and the public and the possible consequences of failing to involve them. *(13 marks)*
- (Total: 25 marks)*

- 4 Health service governance is underpinned by a framework of legislation, voluntary codes and guidance in order to be effective in a wide range of organisations.

Required

- (a) Give three examples of non-NHS-specific legislation which are still relevant to the NHS and outline whose interests they protect. *(6 marks)*
- (b) Explain why statutory regulation works best alongside voluntary regulation. *(5 marks)*
- (c) Describe the 'comply or explain' approach to governance, the risks of such an approach and how the 'apply or explain' approach tries to address this. *(14 marks)*
- (Total: 25 marks)*

- 5 Bardington NHS Trust ('Bardington') was formed three years ago by merging two hospitals. At the time of the merger, these hospitals had a combined deficit of £26m. Following the merger, Bardington has run up debts of more than £95m, to become one of the most financially challenged trusts in the NHS. As well as inheriting the financial difficulties of its two predecessor hospitals, four Private Finance Initiative (PFI) schemes operate across the two main sites, adding to its deficit. In addition, the trust has recently had a Care Quality Commission inspection which is likely to lead to a rating of 'inadequate'. Board discussions centre around the special measures provisions and the possible appointment of a trust special administrator if Bardington was to be judged as 'not financially viable in its current form'.

Required

The chair has asked you as company secretary to advise the board on:

- (a) What the special measures provisions are, what action may be taken if Bardington is put into special measures and the possible outcomes. (15 marks)
- (b) The regulations governing the insolvency provisions for a non-foundation trust. (10 marks)
- (Total: 25 marks)

- 6 Jane Smith, a newly-appointed company secretary at a neighbouring FT, has approached you for some advice. She is concerned about the quality of the decision-making by the board at her FT and believes that some decisions by the board are often taken without due regard to the risks posed to quality and safety. She believes that the board would benefit from a review of its past decisions, particularly ones with poor outcomes, and is discussing this with the FT chair. She wants to support the chair in carrying out this review but is unsure about what needs to be done.

Required

Prepare an advice note to Jane in which you:

- (a) Outline the guidance documents which set out best practice in board effectiveness and summarise their recommendations. (8 marks)
- (b) Describe the procedures a board should follow in order to make effective decisions. (10 marks)
- (c) Outline the steps which might be considered in order to improve the quality of decision-making by the board. (7 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.

