

Subject no. C101J

Chartered Secretaries Qualifying Scheme – Level One

Health Service Governance

November/December 2016

Thursday morning, 1 December 2016

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

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

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

The exam 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 Kimsey City NHS Foundation Trust ('Kimsey') is the product of three mergers over a ten-year period. This has resulted in an organisation with a flawed management and governance structure, and has ultimately resulted in a series of Monitor Improvement Notices. The latest Notice has resulted in an in-depth governance review of the organisation. One of the conclusions of this review is that the previous board of directors allowed the role of the Company Secretary to become significantly undermined as it was undertaken by one of the executive director's secretaries. The newly appointed Chair and CEO need advice on how to make the role effective.

Required

Prepare a briefing paper for the Chair and CEO of Kimsey advising on:

- (a) The key guidance establishing the Company Secretary role, its governance functions and the core responsibilities of the role. (11 marks)
- (b) Best practice to ensure the independence of the Company Secretary, particularly in relation to their appointment and remuneration, and the skills and expertise required by an effective Company Secretary. (14 marks)
- (Total: 25 marks)*

- 2 (a) Define the four domains of the Well-Led Framework and their implications for governance, and demonstrate how they are underpinned by the requirements of the UK Corporate Governance Code. (6 marks)
- (b) Discuss the importance of the stakeholder theoretical approach to governance in the context of the Well-Led Framework. (7 marks)
- (c) Analyse the strengths and weaknesses of other theoretical approaches to health service governance with regard to a board's relationship with its stakeholders. (12 marks)
- (Total: 25 marks)*

- 3 Beevor NHS Foundation Trust ('Beevor') has been discussing its strategy and vision in light of the board's role for defining long-term strategy. It is planning a board development session next month, which will look at strategy and the associated risk management in further detail. The first part of this day will allow the board to consider its principal risks, such as financial sustainability and insufficient paediatric consultant recruitment, in the light of its strategic discussions thus far.

Required

As an introduction to the board development session, the Chair has asked you to:

- (a) Prepare slides for a presentation, with notes, which define business risk and analyse four categories of business risk, giving examples of each in the health sector. *(16 marks)*
- (b) Prepare a briefing paper which discusses the importance of risk appetite, risk capacity and risk tolerance for Beevor. *(9 marks)*
- (Total: 25 marks)*

- 4 Smithson CCG ('Smithson') has declared an end of year deficit position for the previous two years and will probably fail to break even again for the financial year ending 2016/17. In 2015/16, the CCG's main acute provider, Whitworth, which is an FT, also failed to deliver a balanced budget for the second year running. Whitworth has now been placed in special measures following a Care Quality Commission inspection that led to an overall care rating of 'inadequate'.

The governing body of Smithson is concerned about declaring that the CCG is a going concern at the end of the financial year 2016/17 and that its main acute provider may also be declared insolvent.

Required

Prepare a briefing paper for the governing body of Smithson which discusses the following issues:

- (a) Smithson's statutory duty to break even and declare itself as a going concern. *(11 marks)*
- (b) The statutory regulations governing insolvency for an FT such as Whitworth. *(7 marks)*
- (c) The special measures provisions for an FT and what changes the CCG might see. *(7 marks)*
- (Total: 25 marks)*

- 5 Dane Brown is the new Chair of the audit committee at your FT. His background is in the automotive industry. Although he has a financial background he is still getting used to the public sector and the role of internal audit.

Required

As the FT's Company Secretary, write a letter to Dane explaining the function, scope and status of internal audit and internal auditors in the context of an FT.

(25 marks)

- 6 You are the Company Secretary for Crawford CCG ('Crawford'), which is faced with making some key strategic decisions. Recent governing body meetings have been very rushed, with long agendas that allow limited time for discussion. Some papers are being submitted the day before the meeting or being tabled on the day and many of them are for 'noting' by the governing body. Attendance by some of the Lay Members has also become irregular, or they arrive half-way through the meeting. The Chair and Lay Members are keen to think through the governing body's decision-making process.

Required

Prepare a report for the next governing body development workshop in which you:

- (a) Identify the guidance documents which set out best practice in board decision-making and summarise their recommendations and findings.

(12 marks)

- (b) Evaluate areas of review and improvement that Crawford could consider in order to improve the quality of decision-making by its governing body.

(13 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.

