

# **CQC Corporate Governance Framework**

## **Introduction**

This document describes CQC's Corporate Governance Framework: what it is intended to achieve, its principal components, and how it operates to facilitate the leadership, direction and control of the CQC and to enable its long-term success.

This is a public document and will be published on the CQC website.

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# THE CQC CORPORATE GOVERNANCE FRAMEWORK

## 1. CQC's Purpose, Values and Role

**CQC's Purpose<sup>1</sup> is to:** make sure health and social care services provide people with safe, effective, compassionate, high-quality care and we encourage care services to improve.

**CQC's Values are:**

- Excellence: meeting our challenge to be a high-performing organisation;
- Caring: treating everyone with dignity and respect;
- Integrity: demonstrating our passion for 'doing the right thing';
- Teamwork: enabling us to be the best we can be generating reliable management information to demonstrate progress towards objectives.

**CQC's Role is:** to monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety, and to publish what we find, including performance ratings to help people choose care. CQC will make sure that above all else our judgements are completely independent of the health and social care system and that we are always on the side of people who use care services.

## 2. The purpose of CQC's Corporate Governance Framework

Governance in the public sector is intended to ensure that public service bodies are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.<sup>2</sup>

Corporate Governance concerns how the organisation is led, directed and controlled. In the Cabinet Office's definition, corporate governance "defines relationships and the distribution of rights and responsibilities amongst those who work with and in the organisation, determines the rules and procedures through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation."<sup>3</sup>

### Benefits of effective governance in CQC

Good corporate governance ensures that public bodies are run efficiently and economically, meet their objectives, are open and transparent, are effectively held to account and deliver value for money for the public purse. As a regulator, CQC holds other organisations to account for the quality of their governance, and itself needs to demonstrate excellence in corporate governance.

The benefits to CQC and the public of effective corporate governance include:

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<sup>1</sup> As stated in its three-year Strategy 2013-2016. CQC is now, in July 2015, three years later, embarking on a comparable process to produce the next five-year strategy 2016-2021.

<sup>2</sup> CIPFA definition: CIPFA and OPM, The Good Governance Standard for Public Services

<sup>3</sup> Cabinet Office, Corporate Governance in central government departments, p. 9

- Clarity about CQC’s objectives for effective strategic and business planning, demonstrating accountability;
- Clarity about levels of authority for decision-making;
- Clarity about the decisions that have been taken and reasons for them, demonstrating transparency;
- Generating reliable management information to demonstrate progress towards objectives;
- Identifying risks to the delivery of objectives and applying appropriate and effective controls;
- Providing independent assurance via audit that business processes are fit for purpose, and that statutory requirements are being met;
- Effective and efficient use of resources;
- Ensuring that CQC acts within its remit and authority;
- Adding value to the organisation by underpinning change.

The Corporate Governance Framework (‘the Framework’) is at its most effective when its components are fully integrated and work together harmoniously in support of each other.

*Details of all the governance structures, including their membership, terms of reference, and other associated documents can be found on the CQC website and intranet governance pages.*

### **Responsibility for the Corporate Governance Framework**

The Framework exists to support and challenge CQC in its accountability. The CQC Chief Executive is accountable as CQC’s Accounting Officer for the operation of the Framework, which has been mandated by the CQC Board. All CQC line managers are responsible for understanding and operating within the Framework themselves, and ensuring that their staff do likewise.

### **Supporting the Corporate Governance Framework**

The formal corporate structures in the Framework are supported in their operation by the CQC Secretariat in Customer and Corporate Services.

### **Monitoring and review of the Corporate Governance Framework**

Monitoring the operation of the Framework is the responsibility of the Executive Director of Customer and Corporate Services, providing reports to the Executive Team and the Board about its effective operation and recommending required changes. The day-to-day lead for the Framework as a whole is the Board Secretary.

The Framework will be reviewed and updated periodically, and in any case, if CQC’s remit changes as a result of new or additional functions, or new requirements in the CQC/DH Framework document.

Internal Audit provides an annual independent assurance on the adequacy, application and effectiveness of governance in CQC. The Chief Executive is also required as the Accounting Officer to include a Governance Statement in the Annual

Report and Accounts laid before Parliament, which is subject to scrutiny by the National Audit Office. The Framework will support the preparation and scrutiny of the Governance Statement.

### **3. Legislative Context**

The Care Quality Commission (CQC) is an executive non-departmental public body established by legislation to protect and promote the health, safety and welfare of people who use health and social care services and as the regulator of all health and adult social care services in England. CQC's statutory functions are set out principally in the Health and Social Care Act 2008 ("the 2008 Act"), together with the Health and Social Care Act 2012 and the Care Act 2014. There is additional relevant primary and secondary legislation. More detail is available at Appendix 1.

The powers and constitution of CQC's Board are derived from Schedule 1 to the 2008 Act, and regulations made under it in 2012 and again in May 2014, that make provision for Board membership. This is dealt with in section 6.1.

As an Arms-Length Body<sup>4</sup>, CQC aims to have a good working relationship with its Sponsor Department, the Department of Health, where its responsibilities and accountabilities are clear and delivered through appropriate governance arrangements. DH and CQC agreed a Framework Document in 2010 which sets out CQC's purpose, its governance and accountability, management and financial responsibilities and reporting procedures. It was last reviewed in 2014 and is due to be reviewed again in 2017 to take account of subsequent legislative changes.

### **4. CQC's Accountability**

At the heart of good governance is accountability. CQC makes itself accountable in a number of ways, including through publications, regular engagement with stakeholders and public consultation.

#### **4.1 Accountability to Parliament and the Department of Health**

CQC is accountable to Parliament through the Secretary of State for Health. CQC's formal accountability is through:

- Its published Framework Document with Department of Health as its Sponsoring Department
- Its Public and Parliamentary Accountability (PPA) Protocol
- Laying its report and accounts annually before Parliament
- Its annual accountability hearing with the Health Select Committee and appearances before other Parliamentary select committees
- The Appointment of the Chief Executive as the Accounting Officer (AO)
- External audit of its accounts by the National Audit Office on behalf of the Comptroller and Auditor General
- Publishing information about its activities in accordance with its publication scheme
- A Strategic Plan which is published and forms the basis of regular meetings with DH

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<sup>4</sup> Requirements on an Arms Length Body are set out in *Managing Public Money* and in *Corporate Governance in Central Government Departments*

- Widespread consultation and engagement with all stakeholders on its Strategy to which it responds publicly; and
- A clear complaints process.

The DH/CQC Framework Document sets out how the Department expects CQC to report to the Department, in addition to the AO's accountability responsibilities to Parliament. Appendix 2 sets out further detail of CQC's reporting and accountability arrangements to DH.

Performance reporting to DH includes:

- Quarterly accountability meetings between DH officials and CQC senior officers to consider, at a strategic level, how CQC is performing and managing risk. The meetings are attended by the CQC Chief Executive and chaired by the Senior Departmental Sponsor.
- Six monthly meetings between the SofS and the CQC Chair to discuss CQC's performance and any relevant issues
- An annual appraisal of the CQC Chair by the DH Permanent Secretary
- An annual report and Governance Statement which must be sent to DH two weeks in advance of publication in Parliament; and which includes: accounts; an outline of key activities during the year, performance reporting; risk management assessment; reports on leadership and engagement; and plans for the coming year.

Finally, in the event of what the Secretary of State believes to be a significant failure by CQC to discharge a function properly, the Secretary of State has powers to make a direction to CQC.

***Governance impact: open and transparent accountability to the Secretary of State, Parliament and the Department of Health ensures that CQC discharges its statutory purpose economically, efficiently and effectively.***

#### **4.2 Accountability to stakeholders and the public**

In addition to its Parliamentary accountability, CQC is committed to being open and transparent in reporting to the public on how well it is discharging its responsibilities. The Board usually meets monthly in public. CQC publishes an annual 'state of care' report which provides details of compliance and enforcement action across all sectors. The CQC website provides information about which health and social care providers are meeting essential standards, to help people in making choices about their care or in raising concerns with CQC.

CQC seeks to involve people in its core activities to ensure that people's views and experiences are taken into account in decision-making. CQC undertakes a range of surveys; and has set up panels to include a wide range of people from across the services it regulates. People are also involved in consultations, for example on its strategy, training events and workshops. Our public engagement strategy seeks to understand and focus on what matters to people, empower people to understand the quality of care they should expect, help them to choose between services if they want to and build public trust and confidence in CQC's work.

CQC involves people in its inspections, particularly people from harder to reach service users. These people who have had a personal experience of care, known as Experts by Experience, are trained and authorised to participate in inspections.

As part of its new approach to inspection, CQC will hold public listening events before each hospital inspection, where the public will be invited to tell CQC's inspection panel what they think of the services provided by the Trust. This will be in addition to the inspectors talking to doctors and nurses, hospital managers and patients in the hospital.

***Governance impact: effective engagement with stakeholders and the public ensures that CQC's strategic priorities and activities focus on the things that really matter to people who use services and takes account of professional advice and community aspirations.***

***Governance impact: Clear strategic purpose, shared vision and values and effective delivery of outcomes.***

## **5. Key principles of good governance in CQC**

Good governance requires an organisation not only to have the right principles, processes and structures in place<sup>5</sup>, but also the right behaviours. The Board and Chair need to demonstrate the organisation's values, providing challenge and support to management in delivering its obligations, and setting the tone for CQC as a whole. Good governance enables CQC to deliver its strategic purpose.

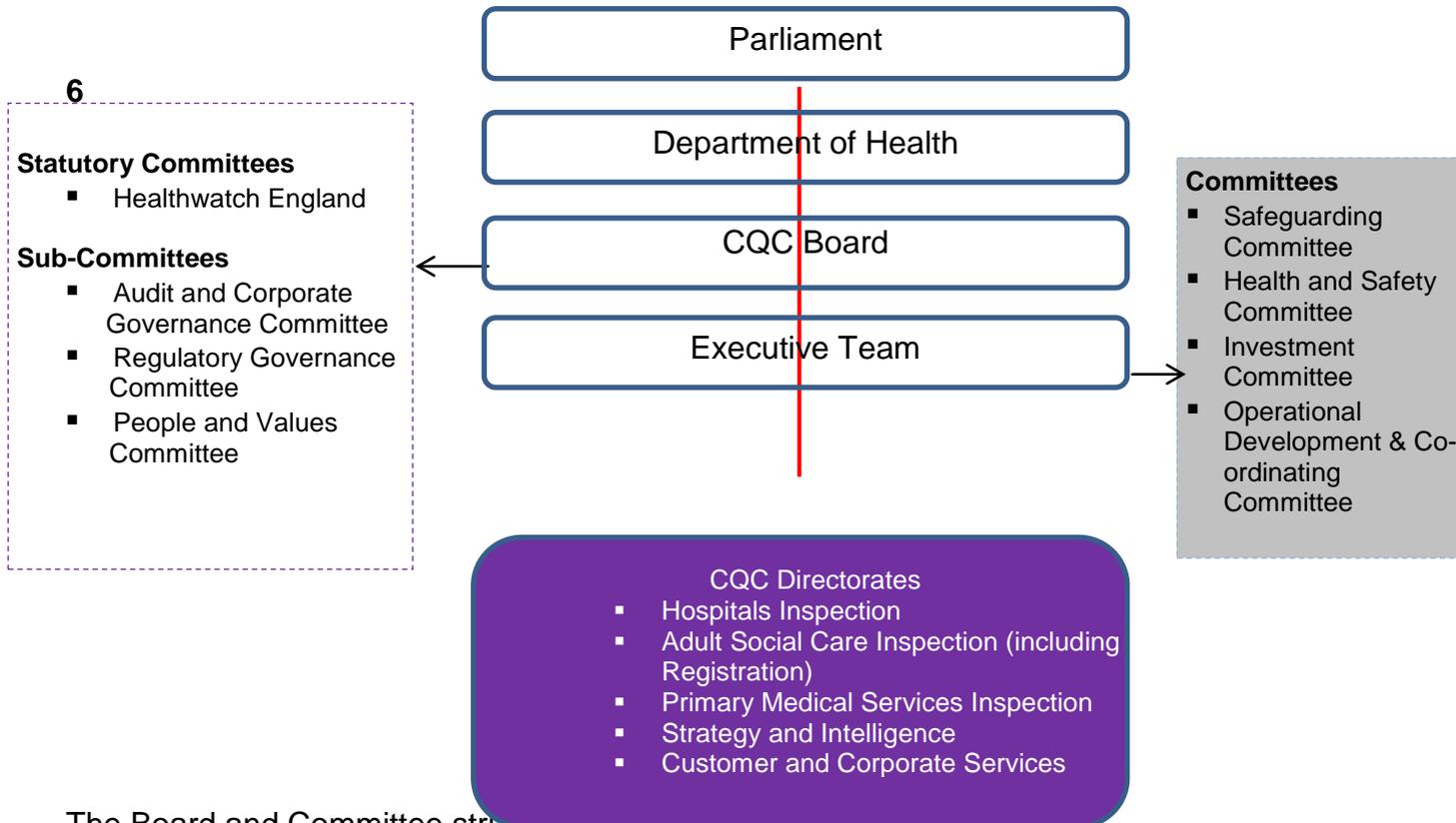
The key governance principles to which CQC subscribes are:

- CQC will demonstrate effective leadership and will set clear direction;
- CQC will be open, transparent and accessible in the way it conducts its business;
- Everyone involved in CQC will be clear about their roles and responsibilities and how these contribute to delivering CQC's strategy;
- CQC will be accountable and will ensure that decisions are well made and effectively implemented;
- CQC will manage risk and performance effectively; and
- Everyone in CQC will demonstrate their commitment to CQC's values and will behave with integrity.

A fuller list of CQC's key governance documents is at Appendix 3.

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<sup>5</sup> See Report of the Financial Reporting Council on the UK Governance Code 2010



The Board and Committee structure which supports CQC's governance responsibilities at the level of the Board and the Executive Team are as described below, and as depicted in the Governance Structure graphic.

## 5.1 The CQC Board

### *Purpose*

The Board of Commissioners is the senior decision-making body in CQC. It provides strategic leadership to CQC and takes collective responsibility for the long-term success of the organisation. The role of the Board is more fully described in the current Framework Agreement between the CQC and the Department of Health and in the Board's Standing Orders.

### *Membership*

The Board consists of the CQC Chair and up to fourteen Commissioners, including the Chair of Healthwatch England. All Non-Executive Commissioners are public appointees, appointed by the Secretary of State for Health.

The CQC Board is a unitary Board consisting of a majority of Non-Executive members, and a minority of Executive members, including: the Chief Executive; the Chief Inspector of Hospitals, the Chief Inspector of Adult Social Care, the Chief Inspector of General Practice and the Executive Director of Strategy and Intelligence. There can be a maximum of fifteen Board members, including the Chair, of whom a minimum of six and a maximum of twelve are Non-Executive Members, plus the Chair. The Non-Executive members are appointed by the Secretary of State

for a period of up to four years, renewable up to a maximum tenure of ten years, on the basis that they possess a range of skills and experience relevant to CQC's business. Executive directors are formally appointed by the Secretary of State.

#### *Corporate responsibility of the Board*

While the Board is empowered to make decisions, the members do so collectively, in full session. Each member, including the executive members, has equal responsibility to participate in Board discussions and decisions; and then to abide by the collective decision of the Board.

With the exception of the Chair, who can take Urgent Action under certain circumstances, non-executive Board Members do not have executive powers individually; but corporately they carry responsibilities particularly for those matters reserved to the Board for decision. The Board delegates executive responsibility to the Chief Executive, who is an executive member of the Board; and, through the Chief Executive, to the Executive Team. It remains the job of the Board, individually and collectively, to challenge the Executive to achieve high performance, to seek assurance that what is claimed is being done and achieved, and that actions taken and processes put in place are effective in achieving what was intended.

Executive members of the Board are members of the Chief Executive's Executive Team and have a wider responsibility for the whole of CQC's business.

#### *Main responsibilities*

Within the framework set by DH for the health and social care system as a whole and particularly for the role of regulation and standard setting within that system, the CQC Board determines CQC's mission, vision and values. In support of that, the Board:

- Sets the CQC strategy and approves the CQC strategic plan containing the strategic objectives.
- Agrees the CQC business plan which is designed to achieve CQC's strategic objectives ensuring that the necessary financial and human resources are in place.
- Approves the CQC regulatory model and enforcement policy.
- Holds the CQC Executive to account for performance and the proper running of CQC.
- Sets the risk tolerance for CQC, including both strategic and regulatory risk, approves the risk management processes, and owns the strategic risk register, and identifies and escalates to the Secretary of State where there are risks which may threaten CQC's ability to meet its objectives or ability to discharge its regulatory responsibilities.
- Sets and promotes the culture, values and behaviours of the organisation.
- Determines which decisions it will make and which it will delegate to the Executive Team via the Scheme of Delegation.
- Approves all CQC statutory publications.
- Acts impartially and independently and is not influenced by external bodies.

#### *Accountability*

The Board is accountable to Parliament, the Secretary of State for Health and the public via the Chair (see section 3).

### *Board meetings*

The Board meets regularly in public. It reviews the effectiveness of CQC's regulatory activity through the performance scorecard, targets, performance and progress toward the CQC strategic and business plan objectives and considers issues of policy and strategic direction.

The Board meets in private as required to receive reports on matters which are confidential in relation to individuals, are *sub judice*, to consider draft reports prior to publication and to consider early drafts of policy proposals, consultation documents, contracts and commercially sensitive information, etc. While the default position is that most matters will be considered in public, the Board has agreed that some matters should always be taken in private session: <sup>6</sup>

- Identification of personal information of people who use services, carers, staff members etc., or discussing a case which may identify them;
- Redundancy of named individuals;
- Details of specific CQC regulatory action where public discussion would be prejudicial;
- Legal advice to the Board;
- Matters pertaining to negotiation positions with third parties;
- Contracts and commercially sensitive information;
- Strategy development sessions;
- Board development sessions.

Other officials may be required to appear at Board meetings as necessary.

***Key contribution to governance: an effective Board ensures that CQC is well led, well directed and well controlled in delivering its objectives. Meetings allow for scrutiny.***

## **5.2 Board Effectiveness**

Board members need to be engaged, have adequate information to enable them to ask questions and make high-quality decisions. Board members need to:

- Receive clear and concise information and briefing;
- Display sound judgement, being clear about the decision they are being asked to take;
- Be aware of the requirement on and responsibility of the Board to act as a corporate body;
- Be well informed and be prepared to ask for further information if they are not clear;
- Be willing to ask for expert opinion where necessary;
- Be prepared to commit the time necessary for discussion and challenge to ensure a good decision is made;
- Remain focused on the items under discussion and have objectivity as the basis for challenge;

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<sup>6</sup> January 2012 paper to the Board, agenda item 13, CM0111211 (P) Private Board meetings.doc

- Ensure that risk is seen as a key part of the decision-making process, not just a compliance issue, and is addressed strategically and sustainably;
- Be constructive and professional in the way in which they challenge and give their opinion, listening respectfully to others' comments;
- Be prepared to act and take decisions in the best interests of CQC, not on the basis of personal self-interest or the interests of another body;
- Engage in the task of developing themselves and the way they interact, be open to feedback and to change;
- Be respectful of the role of the Chair, directing questions through the Chair and assisting the Chair to summarise discussion and clarify decisions;
- Keep confidential matters confidential;
- Demonstrate the values of CQC: Excellence, Caring, Integrity and Teamwork;
- Have integrity and strong inter-personal skills.

CQC staff who attend Board meetings should be prepared to be challenged by Board members as part of testing the robustness of the arguments they have presented, explaining the background to their recommendations, and reporting on any independent assessment of the issue.

All Board Members are required to comply with a Code of Conduct, with rules governing use of public funds, and the Board's Code on gifts and hospitality; and to make an annual declaration of interests, as well as to declare interests on relevant issues at each meeting of the Board.

Board Members receive induction into their role and into the organisation. They are also able to take up opportunities to extend their knowledge and understanding of the organisation through training.

The Chair undertakes an annual formal review of each non-executive member's contribution, in particular when they are being considered for re-appointment. The Board recognises that it is good practice to undertake its own assessment of effectiveness of its performance, the performance of its Committees and of individual members on an annual basis.

The Board holds an externally facilitated board evaluation periodically as appropriate. This will focus on how effective the Board is collectively, including whether: it has the right mix of skills and experience; it is clear about its role especially in relation to the Executive Team; it has succession plans in mind as well as development needs of the Board; it is well supported by the quality of papers and information it receives; the papers are circulated in sufficient time; and the discussion of issues is adequate and decisions taken are clear.

### **5.3 Committees of the Board**

The Board is supported in its work by its committees. These Committees are: the three sub-committees - Regulatory Governance Committee, Audit and Corporate Governance Committee, and People and Values Committee; and the two statutory committees - Stakeholder Committee and Healthwatch England Committee. More details of the Subcommittees are provided at Appendix 4, with links to each Committee's current Terms of Reference.

## 5.4 The Executive Team

### *Purpose*

The Board has delegated responsibility for leading the organisation on a day- to-day basis to the Chief Executive<sup>7</sup>. The Chief Executive is responsible for implementing CQC's strategic priorities and managing the delivery of CQC's services within a framework of strategic control contained within a scheme of delegation. That Scheme of Delegation provides for the Chief Executive to take executive action in accordance with CQC's strategic priorities and to delegate further to members of staff.

The Chief Executive leads the Executive Team (ET). It is through the CQC's Executive Directors that the Chief Executive both discharges the responsibilities delegated by the CQC Board and the additional responsibilities required of an Accounting Officer of an Arms-Length Body (see further at 6.4).

The purpose of the ET is to:

- provide leadership to CQC as a whole;
- act as a role-model for the CQC values;
- support CQC's Board in formulating CQC's strategic direction;
- execute CQC's strategy and business plan to deliver CQC's purpose, through the cycle of policy, strategy, performance and review;
- be responsible for the effective corporate management and performance of CQC
- communicate CQC's strategy and business plan effectively to staff and other stakeholders;
- ensure that the corporate governance framework is implemented effectively.

The full Terms of Reference of the ET is at Appendix 5.

### *Membership*

The Executive Team comprises: the CQC Chief Executive, the Executive Director of Strategy and Intelligence; the Executive Director of Customer and Corporate Services and three Chief Inspectors, Hospitals, Adult Social Care and General Practice.

### *Main responsibilities*

The role and responsibilities of the ET are to:

- identify policy issues to be agreed with the CQC Chair, Board and Committees;
- develop and approve reports and proposals for the Board and its Committees;
- oversee development and successful delivery of the Strategy and Business Plan, in accordance with the objectives and outcomes required, and direct action if these are not delivered;
- ensure efficient and effective use of financial and human resources;

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<sup>7</sup> In accordance with para 7 Schedule 1 to the 2008 Act and CQC's Standing Orders

- ensure effective risk management across CQC;
- ensure that CQC meets its statutory obligations as an executive non-departmental public body and employer;
- ensure effective implementation of CQC's operational model (see Annex 3) in order to deliver CQC's regulatory responsibilities;
- keep corporate and operational policies and processes up to date and effectively implemented;
- delegate governance and management responsibilities to ET's committees, as appropriate;
- ensure the training and development of staff.

### *Accountability*

The Executive Team is accountable to the Board. The Chief Executive, the Chief Inspector of Hospitals, the Chief Inspector of Adult Social Care, the Chief Inspector of General Practice and the Executive Director of Strategy and Intelligence constitute the executive membership of the Board. The Executive Director of Customer and Corporate Services attends Board meetings. The Chief Executive is accountable to the CQC Chair, Parliament and as Accounting Officer to the Department of Health Principal Accounting Officer and Parliament.

The Chief Executive determines to what extent he wishes to discharge the Executive's governance responsibilities via a line management relationship with Executive Directors set out in letters of authority, or collectively via the Executive Team.

***Governance impact: an effective Executive Team assure the Chief Executive that the responsibilities delegated from the CQC Board to him/her as CQC's Accounting Officer are being discharged effectively and efficiently, and that risks are adequately mitigated and managed.***

## **5.5 Executive Team Committees**

The Executive Team has a number of Committees and subcommittees which support it in managing CQC and in discharging its governance responsibilities.

### **5.5.1 Investment Committee**

Investment Committee's role is to maintain effective governance and oversight that ensure that the necessary business case and procurement approvals are in place for programme and project investment and that these align with CQC's investment strategy and priorities.

### **5.5.2 Operational Development and Co-ordination Committee**

ODC's role is to: co-ordinate planning, implementation, development and monitoring of effectiveness of operational activity across CQC; ensure that change issues are addressed appropriately; track performance against the Quality Framework; improve systems and procedures to deliver CQC's statutory and regulatory roles; monitor and evaluate performance; and recommend implied operational changes.

### **5.5.3 Safeguarding Committee**

Safeguarding Committee's role is to: ensure that safeguarding children and adults is embedded into CQC's work on registration, inspection and monitoring; advise ET on appropriate policy, alignment and consistency of approach across health and care services; provide assurance on compliance with agreed policies, procedures and standards regarding safeguarding; improve systems, procedures and performance for safeguarding.

**5.5.4 The Health & Safety Committee** ensures that CQC has health and safety standards which are in keeping with legal requirements. It provides a forum for consultation and discussion with trade unions about health and safety policy and practice. The Committee reviews untoward incidents which are a major risk to staff; considers proposals for changes to policy; and reviews the record of incidents.

## **6. Key roles in CQC's Governance**

A key principle of good governance is having clearly defined roles and functions, including for the Board and for the Executive. Within CQC, there are a number of roles which have specific responsibilities relevant to the Governance Framework. These roles are detailed below. (See Appendix 6 for a list of Current Role Holders.)

### **6.1 The CQC Chair**

#### *Role*

The CQC Chair's role is to enable and lead the Board. This role is crucial to the effectiveness of the organisation. The Chair is responsible for leading the CQC Board, ensuring it discharges its responsibilities effectively and in the public interest. A complementary relationship between the Chair and Chief Executive is important to delivering effective leadership of the organisation. The Chief Executive is accountable to the Chair and Board for ensuring that the Board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and controlled executive action.

#### *Term of appointment*

The CQC Chair is appointed by the Secretary of State for a period of up to 4 years, which may be renewed for a second term.

#### *Main responsibilities*

The Chair is required by the Secretary of State for Health to provide leadership and challenge to the organisation through delivery of the following responsibilities:

- Develop, with others, the vision and strategy for effective regulation of health care and social care;
- Set the tone for excellent working relationships between the CQC and key stakeholders, in partnership with the Chief Executive;
- Ensure that the Board puts policies in place to ensure the efficient and effective management of financial and human resources and the development of all staff;
- Build, develop and improve the Board.

The Chair has particular responsibility for setting the Board's agenda, ensuring that the Board conducts its business in an open and transparent manner, that all Board members are able to participate fully in discussions and decisions taken by the

Board and ensuring constructive relations between executive and non-executive and between all participants at the Board. The Chair reviews the effectiveness of individual Board members and of the Board as a whole on an annual basis, reporting what has been done in the annual report.

The Chair also takes the lead in ensuring that the CQC Chief Executive is held to account for the performance of CQC in accordance with statutory requirements. He, with the Chief Executive, represents the Board to stakeholders and the general public as well as to Ministers, ensuring CQC retains public confidence.

The Chair's responsibilities are set out in the DH Framework Document.

#### *Accountability*

The Chair is accountable to the Secretary of State for Health.

***Governance impact: an effective Chair ensures CQC's Board is well led, discussions are well informed, challenging and focused; decisions are clear and strategic; and the Board acts with integrity.***

## **6.2 The Senior Independent Director**

### *Role*

In accordance with the Cabinet Office guidance on corporate governance, the CQC Chair has appointed a Senior Independent Non-Executive Board Member who is identified as such in CQC's annual report. The Senior Independent Director is expected to work with the Chair and other Board Members to resolve significant issues. The role-holder also has a defined role in the CQC whistle-blowing policy for staff as someone to whom concerns may be brought.

### *Term of appointment*

The term of appointment is at the discretion of the CQC Chair.

### *Responsibilities*

The Senior Independent Director will:

- meet regularly with other Non-Executive Board Members to ensure that their views are understood and that the Chair is made aware of any concerns they have. Any Non-Executive Board Member may request a meeting with the Senior Independent Non-Executive Board Member;
- meet annually with the Non-Executive Board Members to gather input to the Chair's appraisal by the Secretary of State;
- act as a sounding board for the Chair, providing support to the Chair in delivery of his objectives.

### *Accountability*

The Senior Independent Director is accountable to the CQC Chair.

## **6.3 Board Members**

### *Role*

The Board Members, with the Chair, constitute the Commission and have overall responsibility for setting strategic direction for CQC (see 6.1 on the Board).

#### *Term of appointment*

Non-executive Members of the Board are appointed by the Secretary of State for a period of up to four years, renewable up to a maximum tenure of ten years, on the basis that they possess a range of skills and experience relevant to CQC's business. All Board Members are appointed on behalf of the Secretary of State for Health. The Executive Members of the Board, including the Chief Executive, remain Board members while they hold their designated office.

#### *Main responsibilities*

See Board responsibilities set out at paragraph 5.1.

#### *Accountability*

The Board Members are accountable to Secretary of State via the Chair.

***Governance impact: on an effective Board, Members are clear about their role and expected impact; act as a collegiate body; are knowledgeable; prepare well for meetings; work effectively for the public benefit; and share responsibilities across all Board members.***

## **6.4 Chief Executive**

#### *Role*

The Chief Executive has delegated responsibility for leading and managing the organisation on a day to day basis. In addition, the CQC Chief Executive is the Accounting Officer (AO) for CQC.

#### *Main responsibilities*

The responsibilities of the Chief Executive (as set out in the Framework Agreement between DH and CQC) are: safeguarding the public funds and assets for which the Chief Executive has charge; ensuring propriety, regularity, value for money and feasibility in the handling of those funds; the operational leadership, effectiveness and day-to-day operations and management of CQC; ensuring that CQC is run on the basis of the standards set out in *Managing Public Money*; together with DH, accounting to Parliament and the public for CQC's financial performance and the delivery of its objectives; accounting to the DH Permanent Secretary, who is Principal Accounting Officer (PAO) for the whole of the DH budget, providing a line of sight from the Department to CQC; and reporting quarterly to the PAO on performance against CQC's objectives, to be discussed through formal quarterly accountability meetings.

The Chief Executive has also been delegated specific authority by the Secretary of State to sign s36 exemptions (in the public interest) under the Freedom of Information Act 2000.

#### *Accountability*

The Chief Executive accounts to Parliament by signing CQC's annual report and accounts, preparing a Governance Statement and signing a Statement of Accounting Officer's responsibilities. As Accounting Officer, the Chief Executive can be called

before the Public Accounts Committee to answer questions on CQC's stewardship of public funds.

The CQC Chief Executive is the Accounting Officer for Healthwatch England in relation to its use of resources and its compliance with legislation. The CQC Chief Executive has also designated the Chief Executive of Healthwatch England as Accountable Officer for Healthwatch England. The Accountable Officer has responsibility for the performance of Healthwatch England functions and for meeting its statutory duties.

***Governance impact: an effective Chief Executive provides confidence that CQC's strategic purpose is delivered effectively and efficiently, and assures the public that CQC is run on ethical standards, with sound financial management and accountable and transparent decision-making.***

## **6.5 Chief Inspectors and Executive Directors**

As senior officers of CQC, the Executive Members of the Board have particular responsibility for ensuring that the CQC's strategic priorities and business plan objectives are delivered and its functions are properly exercised. They are: the Executive Director of Strategy and Intelligence and the three Chief Inspectors:

- The Chief Inspector of Hospitals
- The Chief Inspector of Adult Social Care
- The Chief Inspector of General Practice

Each Chief Inspector leads the inspection and regulation of services in their area of responsibility across the public, private and independent sectors. In carrying out their roles, they champion the interests of people who use services, promote a seamless service, make judgments about the quality of care provided, and oversee the delivery of a ratings system for registered providers.

The Executive Director of Customer and Corporate Services is not in stature a member of Board but is able to attend Board meetings. The Executive Director of Customer and Corporate Services has particular responsibility in regard to effective governance:

- devising an appropriate system of internal controls, governance and legal support and advice which enables CQC to fulfill its statutory duties and focus upon achieving strategic objectives in an efficient and cost effective manner;
- leading the development of the finance, Information Systems & ICT, facilities and procurement strategies required to support the delivery of CQC's strategic objectives and for discharging specific legal and cross-Government requirements of Finance Directors.

***Governance impact: effective delegation of functions to key senior managers provides clear channels of communication, monitoring, performance evaluation and accountability. Effective Chief Inspectors give the public confidence that CQC's inspection and enforcement are independent, accountable and open, and on the side of service users.***

## **6.6 Independent Members of Board Committees**

*Role*

Independent Members of Board Committees may be appointed by the Chair of CQC, with the Chair of each Committee, to provide advice to the Committee.

#### *Term of appointment*

The term of appointment is at the discretion of the Chair of the Committee.

#### *Main responsibilities*

Independent Members are recruited by virtue of their experience and skills to contribute their expertise to the Committees' discussions.

**Governance impact: Independent Members with relevant expertise enhance the quality of Committees' discussions and decisions.**

**6.7-6.14: Other important roles with governance responsibilities are listed at Appendix 7, 6.7-6.14.**

## **7. Key governance processes in CQC**

CQC has a number of processes and policies which support delivery of good governance. Setting strategy, business planning, performance management and risk management go hand in hand to enable CQC's objectives to be delivered. The contribution which each process make to good governance is described below.

### **7.1 Strategy setting**

CQC's strategic plan is reviewed and updated annually. It is the Department of Health's responsibility to set the overall strategy for the health and social care system including the role of regulation and standard setting within that system. The CQC Board is responsible for setting CQC's strategic priorities which reflect CQC's statutory duties and which have regard to Government policy.

The Board approves the strategic priorities and delivery priorities, the targets against which performance will be monitored and allocates budget to various strands of work. It also identifies potential risks which might impact on the achievement of the objectives and allocates resources to help mitigate risks.

### **7.2 Business planning and programme oversight**

Once CQC's strategic priorities have been set, it is the responsibility of the Executive Team to approve, monitor and report progress against CQC's annual business plan. Each Director is responsible for developing their own business plan demonstrating how the objectives of their Directorate support the strategic objectives of CQC, and these cascade into individual staff members' objectives and work-plans. Business planning support is provided to CQC through the Planning, Performance and Programmes (PPP) team. The Board agrees the CQC Business Plan.

Greater detail on business planning and programme oversight is available in the Scheme of Delegation. Located here on the CQC website:

[http://www.cqc.org.uk/sites/default/files/20150701\\_scheme\\_of\\_delegation.pdf](http://www.cqc.org.uk/sites/default/files/20150701_scheme_of_delegation.pdf)

### **7.3 Corporate Performance reporting**

As part of the strategic and business planning, the CQC Board agrees a range of measures which will monitor CQC's performance on key deliverables. Progress

against these measures, both volume and quality indicators, is reported monthly and quarterly to the Executive Team. The quarterly report is provided to the Board and to Department of Health for its monitoring purposes.

Individual Directorates set their own performance indicators through which they monitor their progress. These underpin the monthly and quarterly reports to the Executive Team.

#### **7.4 Risk Management**

The identification and effective management of risk is critical if CQC is to discharge its responsibilities. An effective risk management system which can anticipate risks and identify opportunities means that the Board and CQC as a whole can more effectively deliver its strategic priorities within budget and on time. Risks are therefore identified proactively as a core part of the strategy setting and business planning processes as well as performance monitoring to ensure that risks are being managed effectively.

The oversight of systems of control, especially those for managing risk, is one of the Board's main responsibilities. The Board holds the Executive to account for the delivery of its strategic priorities by ensuring that the Executive has in place an effective risk management process and by defining its risk tolerance: that is, those risks it is prepared to tolerate and those which must be dealt with immediately.

The Board monitors the management of strategic risks each quarter. The system of reporting to and monitoring by the Board ensures that Commissioners are aware of the most significant risks to CQC and can make recommendations about improvements in control.

The Board has two Committees to enable it to monitor risk effectively. The Regulatory Governance Committee monitors the effectiveness of the regulatory model in identifying and managing risks associated with delivering the regulatory programme. The Audit and Corporate Governance Committee monitors the overall arrangements for internal control including risk management and management assurance. In particular, the Committee liaises with the internal and external auditors to agree areas for scrutiny. Both Committees provide reports to the Board on their findings following each of their meetings.

The task of identifying and managing risks on a day to day basis falls primarily to management. The Chief Executive, as Accounting Officer, has overall responsibility for risk management. The Executive Team is responsible for ensuring that CQC departments and programme boards operate effective risk management processes and report any significant risks, from which the monthly risk report is collated. The risk management process includes:

- Identifying what the risk is and how it might impact on CQC achieving its objectives;
- Defining who "owns" the risk and any mitigation action including timescales;
- Assessing the likelihood and impact of the risk;
- Regularly reviewing and updating;
- Escalating risk if needed;
- Identifying any failures in control;

The Executive Director of Strategy and Intelligence is the designated accountable Director for risk management. The Executive Director of Customer and Corporate Services is accountable for financial, information and IT risks.

## **7.5 Management Assurance Framework**

Management assurance is about management gathering the necessary evidence that there are effective routine controls, proportionate to the identified risk, in place to regulate day to day business and to manage risks and prevent failures occurring; and providing assurance on this through the management chain.

An effective management assurance process ensures that the controls needed to mitigate potential risks are in place and operating effectively.

CQC's management assurance process is therefore intended to provide through the management chain:

- Clarity of role for all managers and staff about their specific areas of accountability;
- A means of identifying and assessing key risks associated with these areas (which should be detailed also in business risk registers);
- An agreed set of assurance checks for each area of accountability which are applied systematically, consistently and in a timely way
- A mechanism to record whether assurances can be provided, and if not, the action taken by the manager; and
- Mechanisms within the corporate governance structure to escalate areas where assurance cannot be provided, and remedial action is required.

Directors and Heads of Function are required to provide assurance to the Executive and to the Board that

- They are identifying, assessing and classifying risk correctly and that their reports on risk are accurate and timely;
- They are managing risk within the organisation's risk tolerance;
- That where there is a difference between the actual risk and CQC's risk tolerance they are taking management actions to address the gap or escalating this in line with the risk management policy;
- That the processes and controls within their areas of responsibility are working adequately; and
- That they are responding to Internal Audit recommendations through the risk management system and through implementation of actions that responsible managers have signed up to and for which they have ownership.

A good management assurance process helps to safeguard CQC's reputation and provides a reliable basis for formal statements and disclosures, including the end of year Governance Statement by the Accounting Officer for inclusion in the annual report and accounts. The Board monitors the effectiveness of the management assurance process through ACGC.

The full text of CQC's Management Assurance and Risk Management Framework may be accessed through the following electronic link, and see also Appendix 3, 8.

<http://intranetplus.cqc.local/About%20CQC/Governance/Pages/Riskmanagement.aspx>

## **7.6 CQC Information Governance policy**

The Chief Executive, as the Accounting Officer, has overall responsibility for information governance at CQC and the Board is responsible for ensuring that the information governance function is addressed at the strategic level.

The regulation of all information, including that which will identify individuals, is governed by a legal and governance framework set out in the Information Governance Policy. The purpose of the policy is to ensure that CQC manages information in such a way as to protect privacy and confidentiality and to maintain public trust. This includes access to information, confidentiality and data protection, assurance and risk management of information, and records and document management.

The (Senior Information Risk Owner) SIRO has responsibility for managing information risk across the organisation and for ensuring that the data and information assets of CQC are identified, processed, transmitted, stored and used in line with the principles of good information governance and in compliance with CQC's legal, statutory and organisational requirements.

## **7.7 CQC Corporate Complaints policy**

People using services, carers and relatives, private and voluntary organisations, statutory agencies, providers, and the general public all have the right to comment on the manner in which CQC has discharged its responsibilities. The Board has responsibility for ensuring that appropriate policies and procedures are in place to manage complaints.

The CQC Corporate Complaints policy deals with complaints about the way in which CQC carries out its role; complaints about regulated services are directed to the providers or to other regulatory bodies. CQC welcomes comments and complaints because they can act as an early indicator that a system is not functioning effectively or that CQC is not explaining what it does sufficiently well. CQC analyses trends that prompt the complaints to identify where improvements may be required. Complaints might cover any of the following areas:

- Mistakes;
- Lack of care;
- Failure to respond or unreasonable delay;
- Unprofessional behaviour;
- Bias;
- Lack of integrity;
- Failure to comply with standards;
- Failure to follow proper procedures;

CQC does not have the power to investigate individual matters of complaint relating to the services it regulates, with the exception of restrictions imposed on people's liberty under the Mental Health Act.

If the complainant remains dissatisfied with the outcome of their complaint, they may then take it up with the Parliamentary and Health Ombudsman.

### **7.8 CQC Staff Speaking-up (whistle-blowing) policy**

One of the important indicators of openness and transparency in an organisation is the way in which it allows people to raise concerns. CQC expects all staff who have concerns about wrongdoing at work to come forward and voice those concerns. The Speaking up policy reassures staff that if they raise a genuine concern about a dangerous, illegal or improper activity at work under the policy, they will not risk losing their job or suffer from any retribution.

Some of the matters which might be the subject of whistleblowing are:

- Failure to comply with a legal obligation;
- Criminal offences;
- Endangering the health and safety of any person;
- Threat to the environment;
- Miscarriage of justice; and
- Deliberate concealment of any of the above.

The policy does not cover private grievances about an employee's personal position which are managed under the CQC Grievance Procedure.

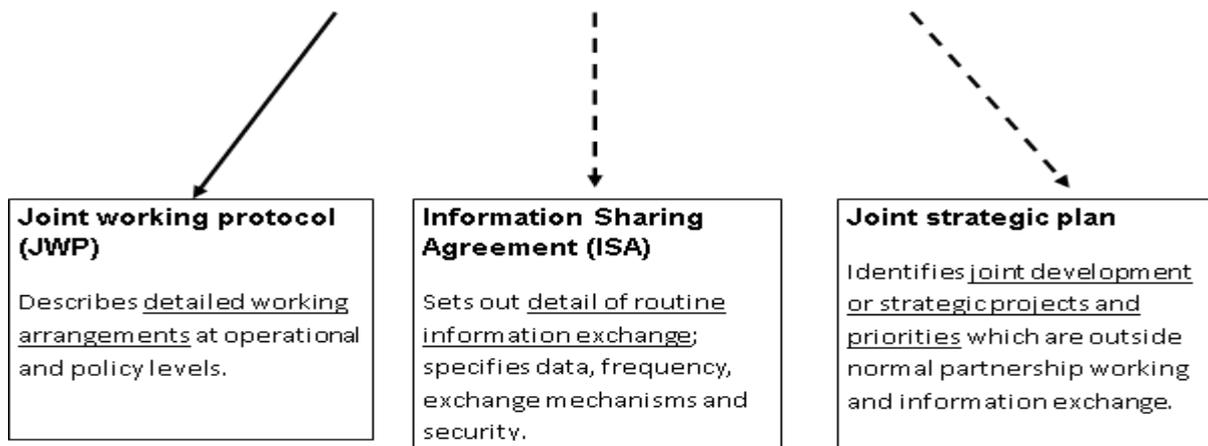
The whistleblowing policy is monitored at Board level by the Regulatory Governance Committee. A member of staff is entitled to contact the Chair of RGC if they feel that their disclosure has not been resolved in accordance with the policy.

### **7.9. Partnership arrangements**

CQC needs to work effectively with partners in the health and social care system to improve the quality of care. A partner is any organisation that CQC works directly with at national, regional or local level as part of the development or delivery of its regulatory activity. If CQC's partnerships are effective, the collective impact from working together should be greater than CQC working in isolation. This demonstrates CQC's Teamwork value.

Relationships with partners may involve information exchange, coordinated inspection or regulatory activity, shared development projects, engagement activity, or co-ordinating activity to address concerns in quality of care. To enable this to happen in a consistent way, CQC develops joint agreements which set clear expectations and objectives, provide a framework for information exchange and operational working and establish clear evaluation criteria. These agreements signal publically CQC's intent to work together for which CQC is prepared to be accountable. The diagram below clarifies the purpose of different types of agreements that CQC may have with its partners.

**Memorandum of Understanding/Partnership agreement** - A statement of intent to work in partnership and an overview of the main reasons for working together. Sets the legal context of the partnership.



## 8. Independent Assurance

The Assurance Framework provides independent assurance that the processes which CQC has in place to exercise control are sufficient and effective. The role of management assurance and risk management are discussed above.

### 8.1 Internal audit

The role of CQC's internal audit is to provide independent assurance to the Board and the Executive Team that CQC's risk management, governance and internal control processes are operating effectively. The Head of Internal Audit produces an annual report on governance and control.

CQC is required under Treasury rules to establish and maintain arrangements for internal audit, which is carried out via the shared Health Group Internal Audit Service (HGIAS). Internal audit can review a wide range of functions, including management functions, to detect any failures in management control which might impact on CQC's effectiveness.

An internal audit plan is agreed by ACGC each year, based on areas of risk. Internal audit reports normally include an assessment of the current state of the function compared with best practice and make recommendations for improvement. Once accepted by management, the recommendations should be progressed within the timescales agreed. Progress on the internal audit reports is monitored by ACGC and also by RGC and PVC who can hold individual officers to account for the delivery of internal audit recommendations.

The internal auditors are also required to report annually on fraud and theft at CQC and to report any unusual incidents to the Department of Health.

### 8.2 External audit

As a public body, CQC's annual accounts are audited by the Comptroller and Audit General (C&AG) before they are laid before Parliament, together with a report from

the C&AG. The C&AG will commission either the National Audit Office and/or a commercial firm to undertake the audit which focuses on identifying financial risks: CQC's audit has been carried out by the NAO in conjunction with Deloitte. The findings of the draft audit report are reported to ACGC before the audit report is laid before Parliament.

The C&AG also has the power to carry out reviews of the CQC's economy, efficiency and effectiveness in using its resources.

The C&AG has a statutory right to access any documents relevant to the audit or reviews and will report to the Department of Health any issues which impact on the Department's responsibilities in relation to CQC.

## **9. Scrutiny and oversight**

### **9.1 DH Performance and capability reviews**

The Department of Health can undertake interim reviews of CQC should the need arise. In 2012, the Department published the first Performance and Capability Review of the Care Quality Commission, following on from reports in 2011 to the Health Select Committee and the National Audit Office. The purpose of the review was to provide challenge and reassurance to the public, the Department and Parliament that CQC was improving its performance and that action would be taken to build and sustain its capability for the future.

### **9.2 External scrutiny**

As a public body accountable to Parliament, the CQC is subject to external scrutiny by a range of bodies including:

- Parliamentary select committees, principally the Public Accounts Committee and the Health Select Committee.
- The Parliamentary and Health Service Ombudsman who is responsible for investigating complaints that the NHS, government departments, agencies and other public bodies have not acted properly or fairly, or have provided a poor service.
- The National Audit Office which in addition to any audit functions can undertake efficiency and effectiveness reviews
- The Information Commissioner upholds information rights in the public interest, promotes openness by public bodies and data privacy for individuals. It advises on the operation of the Freedom of Information Act 2000 and can overrule an organisation's decision not to release information. It also advises on the Data Protection Act 1998 and monitors whether an organisation is complying with the requirements of being a data controller.

### ENABLING LEGISLATION AFFECTING GOVERNANCE

#### Primary legislation

The main enabling legislation for CQC is the Health and Social Care Act 2008, ss 1-97 and Schedules 1-5. Chapter 2 of that Act sets out CQC's registration functions and chapter 3 its review and investigation functions.

The Health and Social Care Act 2012 provided for the establishment of Healthwatch England, the national consumer champion for users of health and social care services, as a statutory committee of CQC. The 2012 Act also provided for CQC to take on responsibility for National Information Governance for users of health and social care. The Care Act 2014 conferred new functions in relation to market oversight on CQC, together with a new warning notice regime for NHS trusts. The Care Act 2014 also made new provision in relation to reviews and performance assessments of providers, leading to a rating.

CQC also has legislative responsibilities under the Mental Capacity Act 2005 and the Mental Health Act 1983. CQC has taken over the responsibilities of the Mental Health Act Commission, set out in the Mental Health Act 1983, to monitor services that provide mental health care to people detained under the Mental Health Act. CQC has a legal duty under the Mental Capacity Act 2005 to monitor and report on activity under the deprivation of liberty safeguards. The safeguards set out what needs to be done if a care home or hospital considers it is in a person's best interests to deprive them of their liberty so that they get the care and treatment they need to protect them from harm.

#### Secondary legislation: Members' regulations and HWE Committee Regulations

The Health and Social Care Act (Regulated Activities) Regulations 2014 set out the activities regulated by CQC, and the requirements that providers have to meet in relation to them (the "fundamental standards"). These Regulations also introduce the fit and proper person requirement for director, and the duty of candour. The Care Quality Commission (Registration) Regulations 2009 set out requirements for registration.

In relation to governance, the Care Quality Commission (Membership) Regulations 2015 set out the number of members of the Commission, their tenure, and grounds for disqualification.

The Healthwatch England Committee Regulations 2012 set out how appointments will be made to the Committee.

**PERFORMANCE REPORTING AND MAINTAINING RELATIONSHIPS WITH DH**

The steps and processes below outline the necessary arrangements for formalising and structuring CQC’s senior meetings with DH, and for reporting outcomes.

**1. Senior responsibilities**

The Chair, Chief Executive, and Executive Team all have roles in reporting to and engaging with DH. These roles are clearly outlined in CQC’s Framework Agreement with DH. Specifically, the Chair is responsible for reporting to the Secretary of State and the Chief Executive for accounting to the DH Accounting Officer.

**2. The relationship**

The meetings and meeting structure listed below provide the basic structure on which CQC/DH meetings are based. They may “flex”, depending on the level of issue being addressed. The purpose of these meetings is threefold:

- To ensure accountability;
- To reach a balance between co-operation and negotiation in our relationship;
- To provide consistency of message.

**3. Regular meetings**

DH	CQC	Frequency	Issue
Secretary of State	Chairman	6 months	Strategic
Ministerial	Chairman/Chief Executive	3 months	Strategic
Permanent Secretary	Chairman	3 months	Strategic
Acting Accounting Officer / Finance Director	Chief Executive // Finance Director	3 months	Accountability
Directors	Executive Directors	3 months	Planning/Live issues

**4. Structuring meetings**

CQC’s objective is to have consistency and clarity of message at each level of our relationship with DH. The following table provides a list of standard agenda items which are addressed at appropriate levels of our meeting schedule. This creates a flow of information up and down the meeting chain.

*Standard agenda items*

STRATEGIC	<ul style="list-style-type: none"> <li>• Strategic issues</li> <li>• Strategic Review</li> <li>• Live issues of risk and performance</li> <li>• Exchanging critical information</li> <li>• Trends within our data on compliance (Market Report, State of Care Report)</li> </ul>
ACCOUNTABILITY	<ul style="list-style-type: none"> <li>• Strategic issues</li> <li>• Strategic Review</li> <li>• Sector and regulatory risk – emerging trends and themes (link to RGVC)</li> <li>• Trends within our data on compliance (Market Report, State of Care Report)</li> <li>• Policy analysis and proposals</li> <li>• Scorecard and performance</li> <li>• Live CQC issues / regulatory issues</li> <li>• DH progress on areas of integration and join up between CQC, Monitor, NICE, NHS Commissioning Board and NHS England</li> <li>• Exchanging critical information</li> </ul>
PLANNING	<ul style="list-style-type: none"> <li>• Forthcoming activity</li> <li>• Live CQC issues / regulatory issues</li> <li>• DH progress on areas of integration and join up between CQC, Monitor, NICE, NHS Commissioning Board and NHS England</li> <li>• Exchanging critical information</li> </ul>

## Appendix 3

### KEY GOVERNANCE DOCUMENTS

The documents and policies outlined below provide the necessary documentation of CQC's Corporate Governance Framework.

#### 1. DH Framework Agreement and supporting protocols<sup>8</sup>

The Department of Health has drawn up a Framework Document in consultation with CQC that sets out how DH expects CQC to operate. It includes Healthwatch England as well as changes introduced to the NHS through the Health and Social Care Act 2012. The Framework Document covers:

- The purpose of CQC
- Its governance and accountability (including the accounting officer's responsibilities set out at 6.8 above)
- Management and Financial Responsibilities, including for corporate governance, risk management, business planning and budgeting procedures
- Reporting procedures to the Department

DH and CQC have also agreed a number of protocols which form appendices to the Framework Document covering communications and media announcements, and correspondence and parliamentary business.

The Framework Document is scheduled for annual review.

#### 2. Scheme of Delegation<sup>9</sup>

The Board's Scheme of Delegation sets out the powers which the Board retains and for which it is accountable to the Secretary of State; and the powers it has delegated internally and to whom. The Board has reserved the following matters to itself:

- Setting strategic direction of CQC;
- Approving plans and budgets;
- Approving the annual report to Parliament;
- Receiving the auditors' reports on the accounts;
- Appointing the Chief Executive;
- Approving the process for appointing "2<sup>nd</sup> tier" CQC staff;
- Approving and making any changes to the scheme of delegation, standing financial instructions or standing orders;
- Risk management strategy for CQC;
- Approval of Significant contracts;
- Approval of corporate governance arrangements;
- Receipt of reports about any potential litigation or prosecution;
- Appointment of CQC's bankers;
- Approval of the arrangements for managing complaints.

The Scheme of Delegation to officers sets out who has responsibility for implementing its responsibilities eg investment strategies, audit strategy etc; sets the

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<sup>8</sup> [http://www.cqc.org.uk/sites/default/files/20150706\\_dh\\_framework\\_agreement\\_2014.pdf](http://www.cqc.org.uk/sites/default/files/20150706_dh_framework_agreement_2014.pdf)

<sup>9</sup> [http://www.cqc.org.uk/sites/default/files/20150701\\_scheme\\_of\\_delegation.pdf](http://www.cqc.org.uk/sites/default/files/20150701_scheme_of_delegation.pdf)

financial limits for officers; and also sets out the regulatory responsibilities which have been delegated and to what level.

### **3. Standing Financial Instructions<sup>10</sup>**

CQC's Financial Regulations set out the rules and procedures for ensuring proper financial management within CQC. They set out the responsibilities of budget holders, rules for transferring money between budgets, requirements on budget reporting and forecasting, payment of bills, petty cash, banking arrangements etc, as well as arrangements for audit.

### **4. Board Standing Orders and Committee Terms of Reference<sup>11</sup>**

The Board has agreed Board Standing Orders which are a set of basic rules and procedures about how the Board conducts its business. The rules cover how meetings of the Commission should be conducted (eg number of members needed for a quorum, voting procedures); rules about setting up committees of the Board; sealing and signature of documents; and requirements on Board members and members of staff in connection with declarations of interest.

The Standing Orders include as appendices the terms of reference for the Regulatory Governance Committee, the Audit and Corporate Governance Committee, and the People and Values Committee; the Code of Conduct for Board members; the notification of interests; and a schedule of the types of interests which should be registered. Links to Committee terms of reference are included at appendix 4.

### **5. Responsibilities of Executive Directors**

The responsibilities and expectations of the Executive Directors are set out in their contracts of employment and also derive from the Scheme of Delegation outlining the limits of their span of control including budget, the intention to hold them to account through quarterly meetings and expectations of their conduct, including declarations of interest.

### **6. Strategy**

When CQC's strategic plan has been agreed by the Board, it is published on CQC's website and intranet. The current strategy, Raising Standards, putting people first, covers the period 2013 to 2016. It sets out what CQC will do to achieve its purpose:

1. Better use of information and inspection
2. Working better with partners in the health and social care system
3. Building better relationships with the public
4. Building relationships with those CQC regulates
5. Strengthening how CQC delivers its responsibilities in terms of mental health and mental capacity
6. Building a high performing organisation

The Healthwatch England Committee publishes its own strategic plan with its priorities and measures of success.

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<sup>10</sup> [http://intranetplus.cqc.local/About%20CQC/Governance/Documents/Financial\\_Regulations.pdf](http://intranetplus.cqc.local/About%20CQC/Governance/Documents/Financial_Regulations.pdf)

<sup>11</sup> [http://www.cqc.org.uk/sites/default/files/board\\_standing\\_orders.pdf](http://www.cqc.org.uk/sites/default/files/board_standing_orders.pdf)

Both CQC and HWE are required to report to Secretary of State on progress in delivering their business plan; and report annually to Parliament.

## **7. Corporate Plan**

Each Directorate develops a business plan which sets out its principal functions and responsibilities, its key deliverables for the year and how these support CQC business plan; its main activities; the resources allocated to the Directorate and the balanced scorecard of critical success factors, measures and targets. Each directorate plan is agreed with the Chief Executive following meetings with directors, heads of functions and business managers to ensure the plans are sufficiently challenging and adequately resourced.

The Directorate business plan provides a linkage between CQC's strategic plan and individual objectives for staff.

## **8. Risk Management Framework and Strategic Risk Register<sup>12</sup>**

The Risk Management Policy sets out CQC's approach to managing risk effectively including responsibilities for risk management. The strategic risk register sets out the key risks to CQC's business. It appears on the CQC website as part of the regular Corporate Performance report to the CQC Board and is located here:

<http://www.cqc.org.uk/public/about-us/our-people/board-members/board-meetings> .

For more detail see Sections 8.4 and 8.5.

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<http://intranetplus.cqc.local/About%20CQC/Governance/Documents/Management%20Assurance%20and%20Risk%20Management%20Framework%20FINAL.pdf>

## **THE SUBCOMMITTEES AND STATUTORY COMMITTEES OF THE BOARD and their Terms of Reference**

### **Sub-Committees**

- 1. Regulatory Governance Committee**
- 2. Audit and Corporate Governance Committee**
- 3. People and Values Committee**

### **Statutory Committees**

- 4. Stakeholder Committee**
- 5. Healthwatch England**

### **Sub-Committees**

#### **1 Regulatory Governance Committee (RGC)**

##### *Purpose*

The purpose of the Committee is to strengthen the Board's oversight of the risks associated with delivering the CQC's regulatory responsibilities.

The RGC will provide assurance to the Board that the systems, processes and accountabilities are in place to identify and manage the risks associated with delivering the regulatory programme. It will assure the Board that the surveillance model is robust and make possible an effective inspection programme (including rating) that provides public confidence in the work of the CQC. The RGC will also oversee the handling of 'speaking up' (whistle-blowing) cases and concerns raised by either the public or staff in relation to registration; monitoring, inspecting, reporting and rating; enforcement; and Independent Voice.

##### *Membership*

The Committee consists of up to 5 Non-Executive Board Members, one of whom is a member of ACGC. It is chaired by a non-executive board member other than the CQC chairman.

##### *Main responsibilities*

The Committee provides assurance to the Board that there are robust and effective structures, processes and accountabilities in place for identifying and managing risks associated with delivering the regulatory programme, which includes registration, surveillance, inspection and enforcement. The Committee is also responsible for ensuring that systems and processes are in place for receiving and responding to whistle-blowers and concerns raised by the public.

##### *Committee meetings*

The Committee will meet at least quarterly and more frequently if the Chair believes it is necessary.

***Governance impact: an effective Regulatory Governance Committee gives CQC's Board confidence that the CQC's regulatory model is robust and effective.***

## **2 Audit and Corporate Governance Committee (ACGC)**

### *Purpose*

The Audit and Corporate Governance Committee (previously known as the Audit and Risk Assurance Committee) supports the Board in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. The Committee also oversees issues of risk, governance and control relating to Healthwatch England in a separate session convened specifically for that purpose.

### *Membership*

The Audit and Corporate Governance Committee comprises the Chair, who should be a non-executive CQC Board member, at least two other members who should be non-executive members of the CQC Board, one of whom should be a member of the Regulatory Governance Committee. At the discretion of the Accounting Officer the Healthwatch England Committee may be asked to nominate a member to ACGC. The Board may also appoint or co-opt independent external members, who will have the same rights and responsibilities as other Committee members but may not serve as Chair. At least one member of the Committee must be a professionally qualified accountant. The CQC Chair or the Healthwatch England Chair may not be members of this Committee.

### *Main responsibilities*

ACGC will advise the Board and Accounting Officer on the:

- strategic processes for management of corporate risk, controls and corporate governance and the Governance Statement (in doing so it will refer to the work of RGC in respect of the regulatory aspects of CQC's business);
- accounting policies, the accounts, and the annual report of CQC, including: performance indicators; the process for review of the accounts prior to submission for audit; levels of error identified; and management's letter of representation to the external auditors;
- planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- proposals for tendering either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
- CQC and Health Watch England's (HWE) procedures for detecting fraud and for the prevention of bribery including arrangements for special investigations.

### *Committee meetings*

The Committee meets at least quarterly and additional meetings can be arranged if the Chair believes it is necessary. Twice a year, its meetings are held in two parts:

the first part dedicated to CQC and the second part to Healthwatch England business.

The Chief Executive, Executive Directors and other CQC officials may be summoned to attend part one of the Committee to answer questions about their management of audit actions and risks controls. If summoned, all officials are expected to treat attendance at the Committee as a priority.

The Department of Health may send an observer to ACGC meetings. The external auditor and the internal auditor also regularly attend ACGC meetings.

***Governance impact: an effective ACGC enables CQC's Board, the Healthwatch England Committee and Accounting Officer to demonstrate that they have robust risk management and audit processes, fit for purpose in design, and operating effectively in practice.***

### **3 People and Values Committee (PVC)**

#### *Purpose*

PVC will discuss and have oversight of succession planning, staff development and talent management, and oversee the understanding and application of CQC values. As a key part of its remit PVC will determine the remuneration of Very Senior Managers (VSM) and consider overall pay policy for the organisation and reward in a broader context.

#### *Membership*

The Committee comprises a Chair and at least two other members all of whom will be Board members. The Board will appoint the Committee Chair who will be the Chair of the Board. The Committee may appoint an independent external member to provide specialist remuneration expertise to assist its functioning. The independent member will have the same powers in relation to the duties of the Committee as other members.

#### *Meetings*

The Committee will meet at least four times a year. Other meetings will be arranged by the Secretary of the Committee at the request of the Committee Chair or any of its members. The Board may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

***Governance impact: an effective PVC enables CQC to demonstrate that senior managers' pay and reward arrangements are set independently, meet government policy requirements, and provide value for money in delivering CQC's objectives.***

### **Statutory Advisory Committees**

Primary legislation founding CQC includes a requirement for CQC to have at least one statutory Advisory Committee. It also allows for other such Committees as CQC may require or the Secretary of State might determine. Currently there are three such Committees.

Although these advisory Committees do not discharge duties on the Board's behalf, the Board has agreed that they should be chaired by a non-executive member of the CQC Board. The Committees promote engagement with CQC's stakeholders and their terms of reference, which are agreed by the Board, enable the Committees to provide the CQC Board with advice on the discharge by CQC of its functions. This advice can be provided whether or not it is sought by CQC.

The proceedings of the Committees are published.

#### **4 Stakeholder Committee**

##### *Purpose*

The Stakeholder Committee was set up to provide advice to CQC's Board and Executive Team on specific questions of CQC's revised strategy and policy put to it by the Board.

##### *Membership*

The Committee was made up of approximately 20 invited representative bodies (umbrella organisations where appropriate) representing the user voice, care providers, campaign groups and policy shapers in all CQC-regulated sectors, and care professionals. However, it became clear that it would no longer be possible to manage the relationship with stakeholders through one meeting or committee. Therefore, during 2014, the function of this Committee would now be undertaken through a co-production approach to the development of new policies and methodologies which required the establishment of a large number of separate stakeholder groups. This approach has proven to be successful and builds on the specialist approach to regulation. Feedback from providers and partners about the level of engagement has been positive.

#### **5 Healthwatch England Committee (HWE)**

##### *Purpose*

The Health and Social Care Act 2012 made provision for the establishment of a new statutory Committee within CQC, Healthwatch England (HWE). The primary purpose of Healthwatch England is to be the national consumer champion for users of health and social care services and to provide the Commission or other persons with advice, information or other assistance in accordance with provision made by or under Act of Parliament.

The CQC Board has agreed that while Healthwatch England is a Committee of CQC, it should operate as independently as possible.

##### *Membership*

The Healthwatch England Committee consists of eleven members, all chosen as experts in their field, plus the chair, who is a Non-Executive member of the CQC Board.

##### *Responsibilities*

Healthwatch England's remit is make sure that the views and experiences of people who use health and social care services are heard and taken seriously at both a local and national level.

Healthwatch England does this by building a national picture of the issues that matter most to consumers and users of health and care services and use the evidence to influence those who plan and run services at a national and local level. Healthwatch England leads and supports the Healthwatch network, made up of 152 community-focused local Healthwatch. HWE will also be able to escalate concerns about health and social care services raised by the public to CQC, and to other national bodies.

#### *Accountability*

HWE is a statutory Committee of CQC, set up with a specific purpose under para 6(1A) of Schedule 1 to the Health and Social Care Act 2008.

Healthwatch England has operational and editorial independence, setting its own strategic priorities and business plan. It is required to present its own report of its activity to Parliament. It will have a separate and ring-fenced budgetary allocation for which the Healthwatch England Chief Executive is accountable to the CQC Chief Executive and Accounting Officer. The Healthwatch England accounts will be consolidated within CQC's annual accounts for presentation to Parliament.

***Governance impact: an effective Healthwatch England Committee gives a strong collective voice to patients and service users to inform decision-making by CQC and other providers.***

Links to all Board Committees and their terms of reference (except Healthwatch England) can be found here:

<http://www.cqc.org.uk/content/how-we-are-run>

Further information on Healthwatch England can be found here:

<http://www.healthwatch.co.uk/how-we-work>

**Terms of Reference of the Executive Team**

<http://intranetplus.cqc.local/About%20CQC/Governance/Executive%20team/Pages/ExecutiveTeam.aspx>

**CURRENT ROLE HOLDERS IN CARE QUALITY COMMISSION****(as at September 2015)**

- |  |   |
|--|---|
| 1. The Chair (interim at Sept 2015)  | Michael Mire  |
| 2. Non-Executive Board members   | Professor Louis Appleby<br>Anna Bradley<br>Professor Paul Corrigan CBE<br>Dr Jennifer Dixon CBE<br>Sir Robert Francis QC<br>Paul Rew<br>Kay Sheldon OBE |
| 3. Executive Board Members   | David Behan CBE<br>Dr Paul Bate<br>Professor Sir Mike Richards<br>Andrea Sutcliffe<br>Professor Steve Field CBE   |
| 4. The Senior Independent Non-Executive Board Member (interim at September 2015) | Sir Robert Francis QC   |
| 5. Chairs  |   |
| • ACGC   | Paul Rew  |
| • RGC  | Professor Louis Appleby (interim at Sep 15)   |
| • People and Values Committee  | Chairman  |
| • Stakeholder Committee  | vacant  |
| • Healthwatch England  | Anna Bradley  |
| 5. Independent Committee Members   | Linda Farrant (ACGC)  |
| 6. Caldicott Guardian  | Professor Sir Mike Richards   |
| 7. Chief Executive   | David Behan CBE   |
| 8. Chief Inspectors  |   |
| • Hospitals  | Professor Sir Mike Richards   |
| • Adult Social Care  | Andrea Sutcliffe  |
| • General Practice   | Professor Steve Field CBE   |
| 9. Executive Directors   |   |
| • Strategy & Intelligence  | Dr Paul Bate  |

- Customer and Corporate Services Eileen Milner

10. SIRO Dr Paul Bate

11. Healthwatch England Chief Executive Dr Katherine Rake OBE

12. Board Secretary Alexandra Jones

13. Head of Internal Audit Jane Forbes

**Other important roles with governance responsibilities: 6.7-6.14.**

**6.7 Healthwatch England Chair**

*Role*

The Chair of Healthwatch England (HWE) provides leadership to the Healthwatch England Committee and serves as a Commissioner on the CQC Board.

*Term of appointment*

The Chair of Healthwatch England has been appointed by the Secretary of State for Health as a Commissioner of the CQC Board for a period of three years, with the possibility of renewal for one further term.

*Main responsibilities*

- To lead the Healthwatch England Committee, ensuring that it meets its statutory obligations and discharges its responsibilities efficiently and effectively.
- Ensure that strategic priorities and a business plan are set for Healthwatch England
- Overseeing the day to day running of Healthwatch England by the HWE Chief Executive
- Report on Healthwatch England's activities to the CQC Board, as required by the CQC Chair
- Maintain an effective relationship with the CQC Chair
- To participate fully as a Commissioner in CQC's wider activities.

The Healthwatch England Chair is expected to take a leadership role in relation to the Healthwatch England Committee comparable to that of the CQC Chair in relation to CQC Board.

*Accountability*

The Healthwatch England Chair is accountable to Secretary of State for Health and to the CQC Chair.

**Governance impact: an effective Healthwatch England Chair helps Healthwatch England to operate as the national consumer champion for local service users.**

**6.8 Healthwatch England Chief Executive**

*Role*

The Healthwatch England Chief Executive, a senior CQC member of staff but not a member of the Executive Team, leads a team which will provide the Healthwatch England executive arm.

*Responsibilities*

The Healthwatch Chief Executive has responsibility for implementing the Healthwatch England business plan, accounting to the Healthwatch England Chair for the implementation of the plan and performance against targets set in support of

the plan. The Chief Executive has specific responsibility for ensuring that the Healthwatch England Committee operates within effective governance parameters. The Chief Executive has been designated by the Accounting Officer as an Accountable Officer, responsible to him for ensuring keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all Healthwatch England resources.

#### *Accountability*

The Healthwatch England Chief Executive is accountable to the HWE Chair for delivering the Healthwatch business plan. She is also held to account by the CQC Chief Executive, as the Accounting Officer for CQC and HWE, for the proper effective and efficient use of resources by HWE, its compliance with the law and its compliance with any cross-Government requirement for Arms' Length Bodies (ALBs).

***Governance impact: an effective HWE Chief Executive delivers HWE's business plan effectively in accordance with an effective governance framework and supports HWE Chair and Committees.***

## **6.9 The Caldicott Guardian**

### *Role*

In accordance with the 1997 Caldicott Report, a CQC Board Member has been appointed as the Caldicott Guardian and is registered as such with the Department of Health. The Caldicott Guardian oversees the Board's responsibility for addressing information governance, particularly access to patient-identifiable information, at the strategic level.

### *Responsibilities*

The CQC Caldicott Guardian is a Board member appointment, with the seniority and authority to exercise the necessary influence on policy and strategic planning and carry the confidence of his or her colleagues to manage the exposure of CQC to risk in this area.

The Guardian liaises with CQC IM&T Security Officers, Data Protection Officers and others charged with similar responsibilities, to ensure that there is no duplication or omission of duties. They have overall responsibility for:

- ensuring that CQC systems and processes concerned with the management and use of information relating to people who use services is safeguarded and complies with national guidance, and the law.
- regularly reviewing CQC's disclosure of confidential personal information about people who use services, making sure it is justified, necessary, kept to a minimum, restricted to those with a 'need to know'. The Caldicott Guardian has a particular responsibility to satisfy themselves as to appropriateness when confidential personal information is used for a new purpose or in a new way.
- ensuring that all staff involved in disclosing personal patient information understand their responsibilities and comply with the law; for example through proper training and induction.

- agreeing and reviewing protocols governing the disclosure of patient information to other organisations so as to promote integrated care but restricting access to patient information on a “need to know” basis.
- developing security and confidentiality policy, representing confidentiality requirements and issues at Board level, advising on annual improvement plans, and agreeing and presenting annual outcome reports.

The appointment and responsibilities of the Caldicott Guardian are included in CQC’s information strategy.

***Governance impact: an effective Caldicott Guardian provides assurance to Government and the public that any personal information held by CQC is properly safeguarded and managed in accordance with the law.***

## **6.10 SIRO**

### *Role*

The role of Senior Information Risk Owner (SIRO) is mandated by CQC’s Security Policy Framework in 2009. It is currently taken by the Executive Director of Strategy and Intelligence.

### *Responsibilities*

The SIRO has responsibility for managing information risk across the organisation and for ensuring that the data and information assets of CQC are identified, processed, transmitted, stored and used in line with the principles of good information governance and in compliance with CQC’s legal, statutory and organisational requirements.

The SIRO is responsible for providing assurance to the Board on all aspects of Information Governance. As part of this ongoing assurance, the SIRO prepares an annual statement of Information Governance Assurance for the Board and an annual statement on Information Governance Assurance as part of the Commission’s Statement of Internal Control, as required by the Security Policy Framework.

The SIRO is supported by the Information Governance Group which oversees the implementation of CQC’s information governance strategy and to monitor the adequacy of information security policies and procedures. It aims to promote best practice in information management across CQC, identifies governance risks and reports on major information security breaches.

***Governance impact: an effective SIRO provides assurance to the public that any personal information held by CQC is properly safeguarded and managed in accordance with the law.***

## **6.11 Directors and Heads of Functions**

### *Role*

All Directors and Heads of Function are responsible for ensuring their teams are aware of and comply with corporate governance requirements relating to their areas of work.

### *Responsibilities*

Managers should:

- provide assurance to the Chief Executive, in his/her role as Accounting Officer, and to ET
- make sure staff are aware of their governance responsibilities including compliance with CQC Financial Instructions, legislative requirements such as Data Protection and Freedom of Information, Health and Safety and Equalities as well as the requirements of managing information in accordance with the Information Governance policy;
- ensure their staff have adequate awareness of risk, including how risks are identified, recorded and mitigated; and how concerns are escalated and by whom;
- ensure staff are trained on corporate governance eg in team discussions on a regular basis and the information needs of staff defined.

***Governance impact: clear understanding by CQC staff of their responsibilities means more effective performance in their roles.***

## **6.12 Board Secretary**

### *Role*

The CQC Board Secretary has responsibility for ensuring that there is effective and efficient support on a day to day basis to the CQC Board, Commissioners, Chair and Chief Executive through CQC's private offices and secretariat, and for enhancing the effectiveness of CQC's Corporate Governance Framework.

### *Responsibilities*

The Board Secretary:

- Ensures governance advice and expertise is available to the Chair;
- Ensuring that there is a suitably skilled and qualified member of staff to act as Secretary to the CQC Board and advise the Chair and Board Members on interpretation of the Board's Standing Orders.
- is the guardian of the Corporate Governance Framework, ensuring that the Framework is up-to-date and making recommendations for its improvement of the Framework.
- is responsible for monitoring the compliance of CQC with the Framework and ensuring that failures in corporate governance are addressed speedily and effectively.
- contributes to the development of the organisational culture that embodies the values of CQC particularly in relation to corporate governance
- ensures effective information flows between the Board, its Committees and the Executive

***Governance impact: an effective Board Secretary ensures high-quality support to the Board, Committees and ET by the Secretariat; and ensures that the***

***importance of good governance to delivering CQC's purpose, and the Corporate Governance Framework, are understood across the organisation.***

### **6.13 The Governance Secretariat**

#### *Role*

The Governance Secretariat in Customer and Corporate Services has responsibility for providing an effective and efficient service to ensure that the CQC Board and the Executive Team have relevant and timely information which sets out clearly the decisions required and any risks attendant upon those decisions.

#### *Responsibilities*

The CQC Secretariat:

- sets the schedule of Board and Committee meetings for each year
- assists the Board and its Committees to conduct themselves in accordance with the CQC Code of Practice
- provides effective and efficient service to Board members including providing papers and minutes for all Board and Committee meetings
- arranges for each new member of the Board to have an induction programme to enable them to be effective as Board members as quickly as possible
- arranges for Board members to receive training to enable them to discharge their responsibilities
- arranges for the Board to conduct Board development days

***Governance impact: an effective Secretariat supports the Board, Committees and ET by ensuring that documentation is timely and high-quality; that decisions taken are well-informed and accurately recorded; and that agreed actions are effectively documented and followed up.***

### **6.14 Head of Internal Audit**

#### *Role*

The Head of Internal Audit is responsible for establishing and maintaining an independent and objective internal audit function that meets Government Internal Audit Standards. The Internal Audit function is independent of CQC's management, in accordance with the Internal Audit Charter, and provides the Accounting Officer with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

#### *Responsibilities*

The Head of IA agrees a programme of audits, based on an assessment of risk to the organisation from CQC activities, with the Audit and Corporate Governance Committee. Progress on these audits and the implementation of recommendations arising from them are reported regularly to the Committee. IA aims to work cooperatively with the external auditors. By contrast with external audit, Internal Audit can review a wide range of issues across the organisation to give an opinion on whether the organisation complies with best practice, where there are shortcomings and where improvements need to be made. It is for management to agree and implement the recommendations made in Internal Audit reports.

The Head of Internal Audit is required to give an Opinion on CQC's governance arrangements for inclusion in the Annual Governance Statement, reported to Parliament.

**Governance impact: an effective Head of Internal Audit assures the CQC Board and Executive Team that the organisation's internal processes are independently and robustly reviewed and that potential difficulties are highlighted, and corrective action taken.**

## Appendix 8

### Statutory disclosures and statements

#### 1 Annual report and accounts

CQC is required to publish a number of reports annually. The annual report and accounts are laid before Parliament annually and include:

- A report on CQC's performance against objectives over the past year and key areas for focus in the coming year
- A Governance Statement (previously the Statement of Internal Control) including the role of the Board and of the Executive Team, the key risks faced by CQC and how these have been managed, performance information, reports on key policies such as Freedom of Information, key HR data and the remuneration of Board members, the Chief Executive and Directors
- Annual accounts including the External Auditor's opinion

The Annual Report and Accounts are published on CQC's internet.

CQC is also required annually to publish a State of Care Report, a Mental Health Act Report and a report on Deprivation of Liberty Safeguards.

#### 2 Head of Internal Audit annual opinion

The Head of Internal Audit is required to prepare an annual report which is submitted to ACGC, the Board and the Department of Health on risk management, control and governance; and on any fraud or theft suffered by CQC. Its conclusion is included in the published Governance Statement.

#### 3 Other statutory disclosures

As a public body, CQC is required by law to respond to certain disclosure requirements:

- CQC must provide responses to requests for information from Parliament and Members of Parliament, in the form of responding to Parliamentary Questions (written and oral), Prime Ministers Questions, adjournment debates, Early Day Motions, briefings for Ministerial meetings etc; and reporting to Health Select Committee and the Public Accounts Committee.
- CQC may also receive requests for information from the Department of Health and Other Government Departments, particularly the Department of Health
- Freedom of Information (Fol) Act 2000 requirements, including a Publication Scheme which sets out the classes of information which CQC makes available, and responding to Freedom of Information requests
- The Register of Interests listing interests declared by Board members (Non-Executive Members and Members of Executive Team).

The Data Protection Act 1998 requirements which provides that CQC is a data controller for personal data. Under the Act, CQC is required to process personal data fairly and lawfully, keep it up to date and accurate, and keep only what is necessary and that only for as long as is required. CQC is also required to have in place proper

processes to protect personal data and not allow unlawful access. Under the Act, data subjects have the right to access their own personal data, to correct any information which is inaccurate and under certain circumstances ask for the data to be removed. The Information Rights Manager in CQC deals with these requests.

## List of CQC Boards, Committees and Panels

### Boards and Committees that support CQC's governance responsibilities:

#### CQC Board

##### Sub-committees:

Audit & Corporate Governance Committee (ACGC)  
Regulatory Governance Committee  
People & Values Committee

##### Statutory committees:

Healthwatch England  
Stakeholder Committee

#### Executive Team

##### Executive Team Committees:

Health & Safety Committee  
Investment Committee  
Safeguarding Committee  
Operational Development & Co-ordination Group (ODC)

### Boards, Committees, Groups and Panels that are not formally defined within the governance structure in terms of a direct reporting relationship to CQC's Board or Executive Committee, but are qualitatively governance-related, and/or oversee aspects of governance at Directorate or Inspectorate level:

*(Some, but not necessarily all, have Terms of Reference setting out their purpose and functioning. CQC is currently reviewing whether any of these should have altered reporting relationships and/or terms of reference. This Appendix is included for completeness of the overall picture of CQC's governance framework.)*

#### **ADULT SOCIAL CARE (CI: Andrea Sutcliffe)**

(Governance structure chart attached at **Annex A**)

Adult Social Care Senior Leadership Team (SLT)  
Adult Social Care Continuous Improvement Group (CIG)  
ASC Leadership Group  
Registration Improvement Board  
Inspections Project Board  
Market Oversight  
Thematic Workstream  
National Quality Assurance Panel  
Regional Quality Assurance Panel  
+ Senior Leadership Team; Regional Management; Regional Risk; and Head of Inspection Meetings

#### **PRIMARY MEDICAL SERVICES (CI: Steve Field)**

(Governance structure chart attached at **Annex B**)

Senior Leadership Team  
DCI Group Meeting  
PMS& Integrated Care Delivery Group  
Directorate Performance Group  
Continuous Improvement & Quality  
National Quality Assurance Panel  
Regional Quality Assurance Panel  
Inspection Specific Groups (8 in total)  
+ Management Team (incl. Risk Panels) Regional & National Meetings

## **HOSPITALS (CI: Mike Richards)**

Acute / IHC D&D Group  
Mental Health D&D Group  
CHS / Ambulance Group  
Hospitals Programme Board  
MH / SMS Group

*Currently in the process of restructuring their internal governance arrangements to a proposed new governance structure for Hospitals incorporating risk, quality assurance, performance monitoring and continuous improvement: (Proposed governance structure chart attached at **Annex C**).*

Hospitals Senior Leadership Team  
Continuous Improvement Oversight  
National Quality, Risk and Performance  
Operational Development Co-ordination  
External co-ordination group  
Internal co-ordination group  
+ Team meetings of Inspector and Inspection Managers; Head of and Inspection Managers; Regional Performance; and Sector Performance Meetings

## **CUSTOMER & CORPORATE SERVICES (ED: Eileen Milner)**

### **Miscellaneous Committees/ Groups**

CCS Leadership Team  
CCS Leadership Group  
Responding to Concerns Programme Board  
Recruitment Programme Board  
Enforcement Oversight Group  
Operational Systems Board  
Regulatory Powers Committee

Thematic Review Board  
National Information Board  
JNCC  
Establishment Recruitment & Controls  
Programme & Project Management Network  
Business Analysis Network  
Disability Network  
LGBT Network

### **NCSC-specific**

Change Board (NCSC and Business Support)  
SMT (BS & NCSC)  
Performance & Risk Summit (BS & NCSC)  
The CRM forum (part of the Improvement Programme at NCSC)  
The Team Leader Forum (NCSC specific)  
The Staff Survey Action Groups (NCSC specific)

## **STRATEGY & INTELLIGENCE (ED: Paul Bate)**

S&I SMT  
S&I Leadership Team meeting

### Strategy

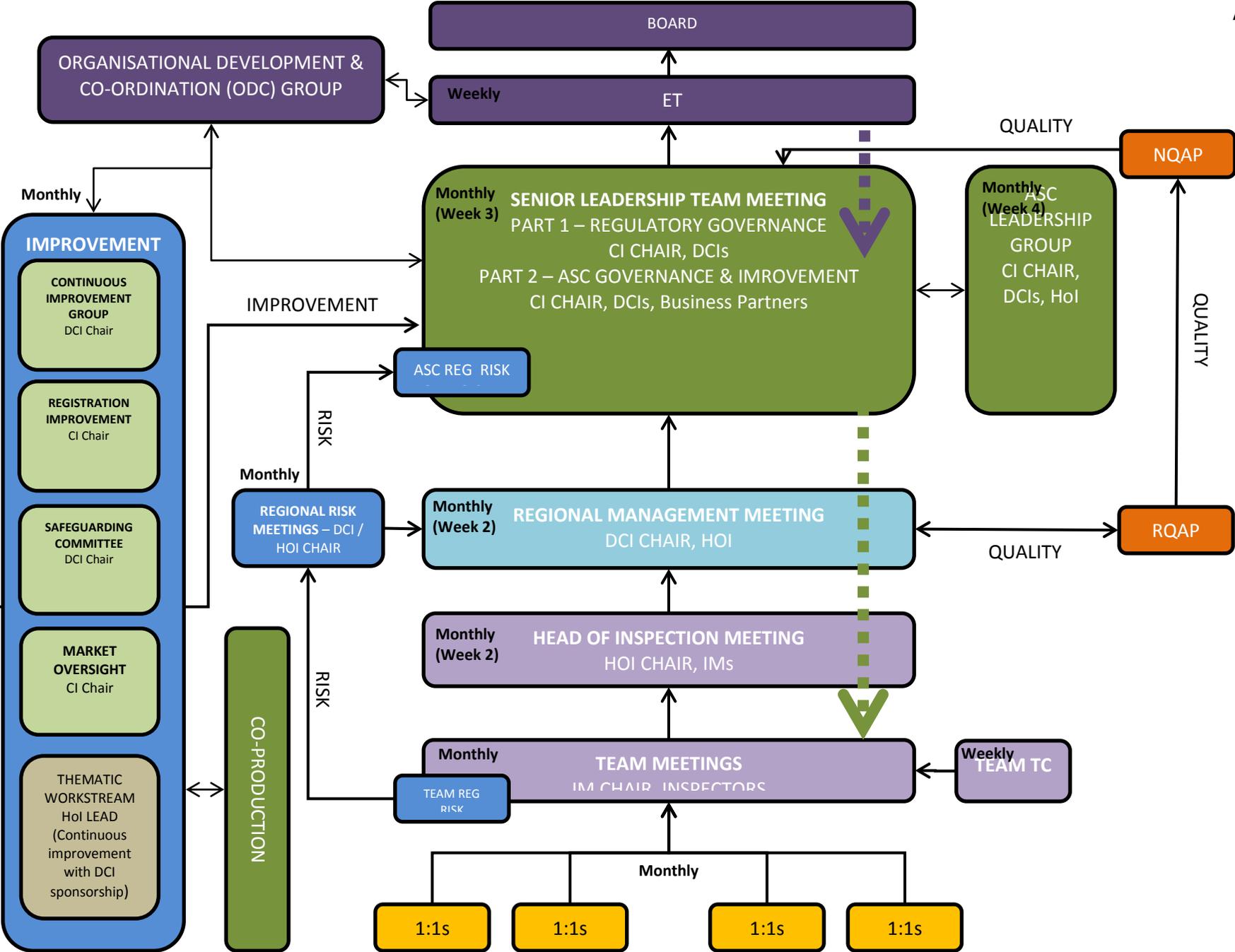
Fees Advisory Panel  
Integration, Pathways & Places Board

Mental Health Integration Board  
Cross-cutting Strategy Board  
Cross-sector policy co-ordination group

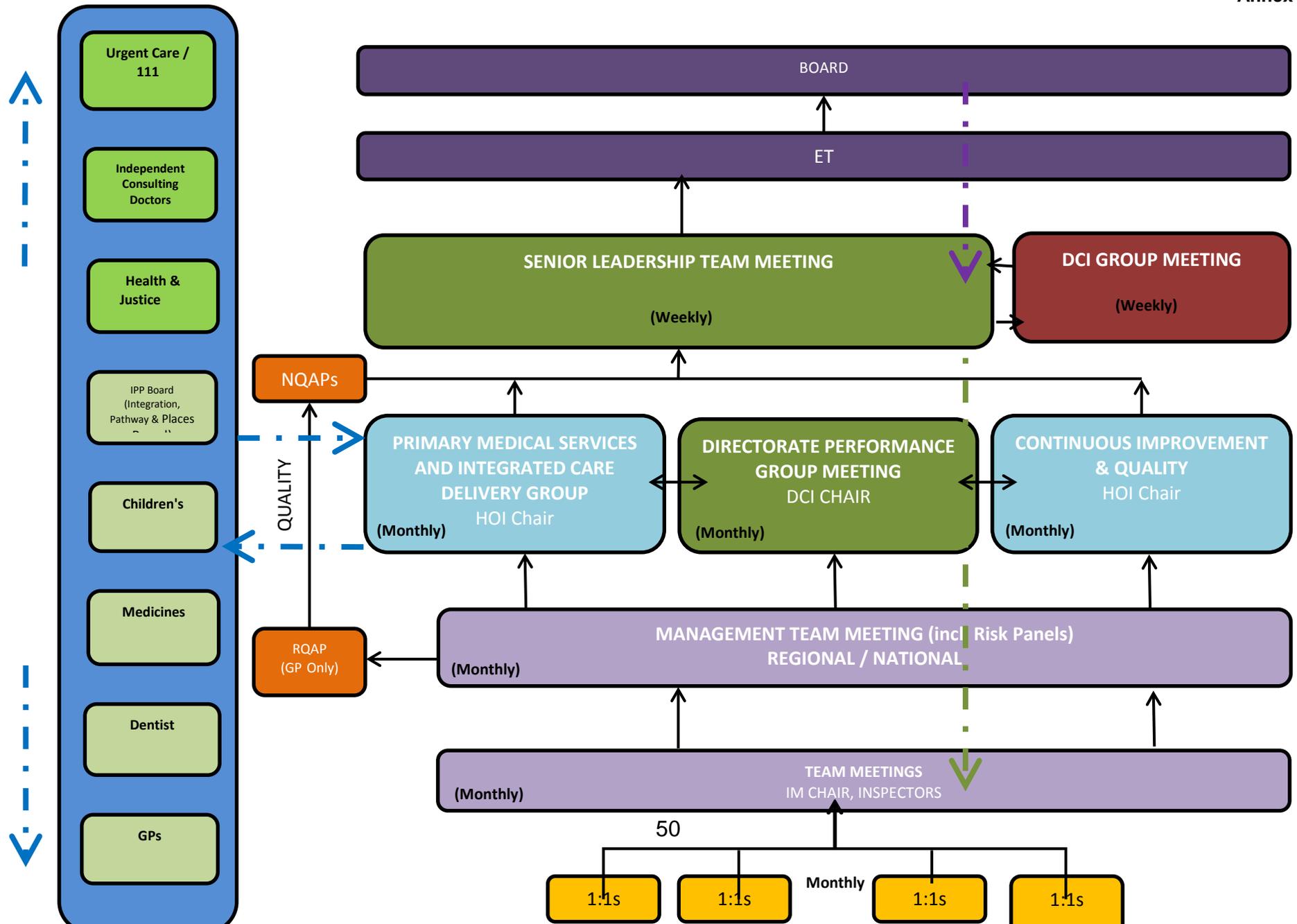
Apart from cross-sector policy, all of the sector policy governance for Strategy goes via the inspecting directorate governance; other than that, everything goes direct to ET or DB.

### Intelligence

PPP Senior Leadership Team meeting  
Business Improvement Team Meeting  
Business Implementation Board Meeting  
Evaluation & Performance Group (EPG)  
Corporate Programme Board  
Fresh Start for Registration Programme Board  
Information Governance Group  
Knowledge & Information Board  
Knowledge & Information directors steering group  
Management & Leadership Development Board  
Responding to Concerns Programme D&D Board  
Recruitment Programme Board  
Business and Financial Strategy  
Fortnightly Operating Group







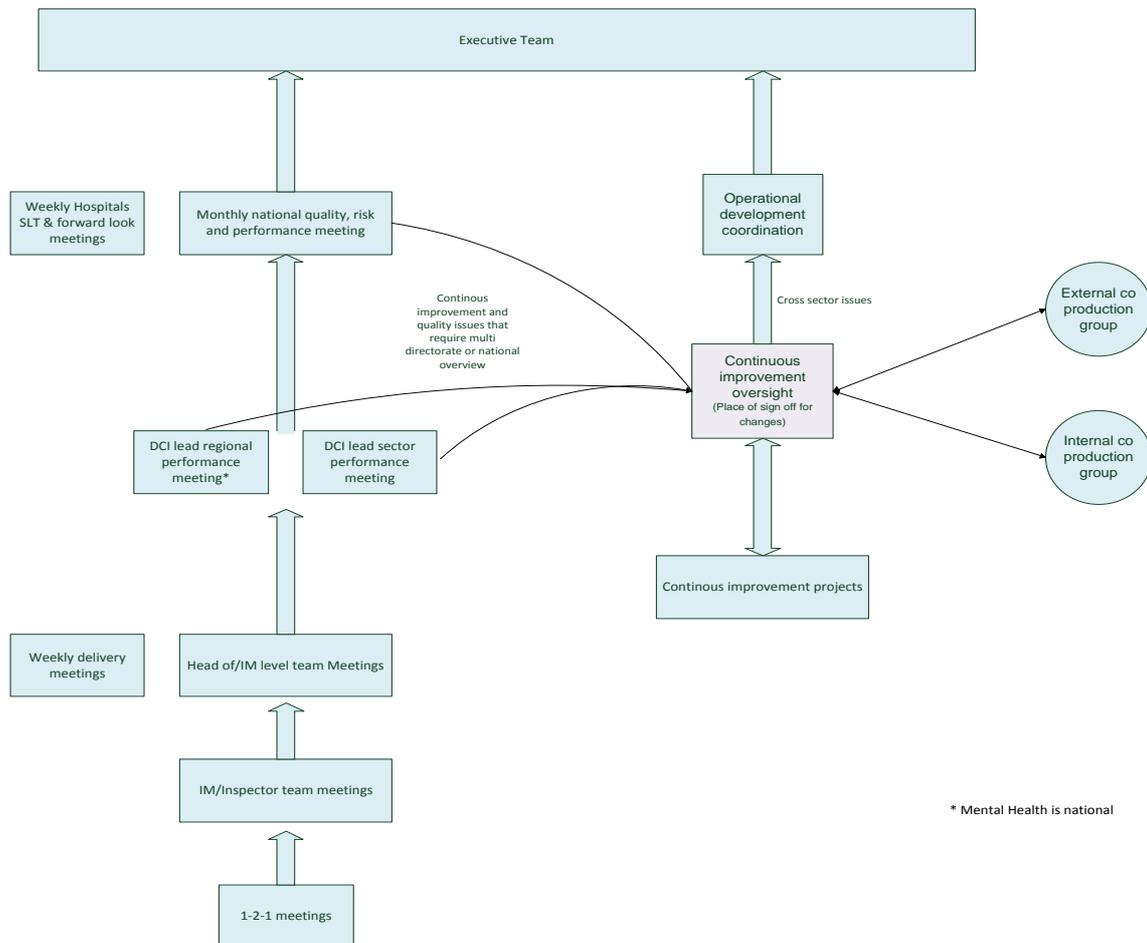
### Governance within Hospitals directorate

The directorate needs to review and address some of its governance arrangements to take into account developments in risk management, which is a separate project being run by the quality and risk team, but also to allow the directorate time and space to discuss and manage its business as well as developing a continuous quality process.

The Quality and Risk Assurance team are currently undertaking a project to address the corporate improvement priority of provider risk. The project aims to develop a range of system generate risk management reports fully supported by risk reporting thresholds and risk assessment tools. The process to capture provider risk on CRM and generate system reports has already been rolled out in ASC, and is due to be implemented in Hospitals Oct-Dec 2015.

The principle is that risk and quality assurance become integrated into the directorate’s governance structure. Below outlines a proposed new governance structure for Hospitals incorporating risk, quality assurance, performance monitoring and continuous improvement.

#### 1. Proposed Hospitals governance structure



## **2. The meetings structure**

Each level of meeting would be supported by a number of tailored system generated reports on both risk and performance.

### 1-2-1 Meetings

1-2 -1 meetings with line managers that will include a standard set of agenda items to be covered depending roles.

### Team Meetings (Inspector and Inspection Managers)

- Chaired by inspection manager
- Attended by inspection managers
- Standard agenda items of:
  1. provider risk
  2. team performance
  3. quality issues
  4. continuous improvement
- Any continuous improvement or quality issues that either require a multi directorate input or can't be resolved at this level are escalated up

### Team Meeting (Head of and Inspection Managers)

- Chaired by Head of
- Attended by inspection managers
- Standard agenda items of:
  1. provider risk
  2. team performance
  3. quality issues
  4. continuous improvement
- Any continuous improvement or quality issues that either require a multi directorate input or can't be resolved at this level are escalated up

### Weekly delivery meeting

A weekly Lync call for the delivery team, tracking in detail the end to end process of all inspection activity and ensuring the identification, mitigation and escalation of risk. This meeting will include an open invite for HHI/IM to dial in to the call should there be any delivery complexities, support requirements or risks to raise.

### Regional Performance Meeting (Mental Health is a national meeting)

- Chaired by DCI
- Attended by Heads of and Quality of Delivery Officers (QDO's – see below)
- Standard agenda items of:
  1. provider risk
  2. regional performance
  3. quality issues - quality control sampling outputs of the end to end process, themes and trends analysis linked to reporting
  4. continuous improvement

- Any continuous improvement or quality issues that either require a multi directorate input or can't be resolved at this level are escalated up

All changes go must go to the continuous improvement oversight group for sign off.

#### Sector Performance Meeting

- Chaired by DCI
- Attended by lead Heads of, policy, engagement and other areas as required
- Standard agenda items of:
  1. sector performance
  2. quality issues
  3. method development
  4. continuous improvement

All changes go must go to the continuous improvement oversight group for sign off.

#### Continuous Improvement Oversight Group

- Chaired by Head of Delivery and Development
- Multi-sector/directorate arena for presentation/endorsement of evolving methods (the group does not solve issues within the meeting. Issues are delegated to appropriate area lead or continuous improvement project to investigate and bring back to the group)
- Enact and ensure action against regional/national quality improvement action plans
- Ensure implementation and regional roll out of updates/changes
- Hospitals governance check and sign off
- Link to ODC for cross sector issues

Having one group to cover all of Hospitals improvement, replacing the current D&D boards ensures:

- Shared learning
- One conversation
- Only pilot ideas once before roll out
- Improved attendance and input from cross sector representatives

#### National Quality, Risk and Performance meeting

Occurs the last Tuesday of the month and is followed by the weekly forward look meeting

- Chaired by Chief inspector
- Attended by DCIs, Head of Delivery and Development, Directorate manager, HR business partner, Finance
- Standard agenda items of:
  1. business risk
  2. business planning
  3. financial review
  4. staffing
  5. provider risk

6. national performance
7. national quality issues

Weekly hospitals senior leadership team and weekly forward look

Occurs the weeks that there is no national performance meeting and is followed by the weekly forward look meeting

- Chaired by Chief inspector
- Attended by DCIs, Head of Delivery and Development, Directorate manager, Heads of Policy,
- Standard agenda items of:
  1. Sector performance
  2. Round 2 updates
  3. ET and national issues
  4. Discussion on particular projects