



**Dorset County Hospital**  
NHS Foundation Trust

# Corporate Governance Manual

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# 1. Foreword

## 1.1 The Corporate Governance Manual

The purpose of the Corporate Governance Manual is to set out the control framework within which the Trust's objectives are delivered. The legal framework within which the Trust was established and continues to operate is set out in the Trust's Constitution and Provider Licence which this Manual complements. The Manual takes full account of the revised Code of Governance for Provider Trusts (October 2022), published by NHS England. This Code sets out a common overarching framework for the corporate governance of NHS foundation trusts and complements the statutory and regulatory obligations on them.

Key documents in the Corporate Governance Manual, requiring compliance by the FT, its Executive and Non-Executive Directors, senior managers, officers, and employees are the Accountable Officer Memorandum, the Scheme of Reservation and Delegation, Standing Orders (as a framework for internal governance) and Standing Financial Instructions (as a framework for financial governance).

Since 2024 Dorset County Hospital NHS Foundation Trust and Dorset HealthCare University NHS Foundation Trust have worked together in a federated model. As part of the federated working arrangements, an equivalent version of this manual is available relating to Dorset HealthCare University NHS Foundation Trust. This document will be updated annually or more frequently in line with legislation, and directives from the regulator or as required internally to reflect changes of practice.

# 2. Governance overview

## 2.1 Corporate Governance

Corporate governance is the system by which an organisation is directed and controlled at its most senior levels, to achieve its objectives and meet the necessary standards of accountability and probity. Effective corporate governance, along with clinical governance, is essential for a Foundation Trust to achieve its clinical, quality, and financial objectives. Fundamental to effective corporate governance is having the means to verify the effectiveness of the direction of the organization and control which is achieved through independent review and assurance.

Effective corporate governance is a fundamental cornerstone for the success of Dorset County Hospital / Dorset HealthCare University NHS Foundation Trust (the Trust). The autonomy that the Trust enjoys, its public service purpose and the fact it is entrusted with public funds demands that the Board of Directors, the Council of Governors, and all Trust employees operate according to the highest standards of corporate governance. It is essential, therefore, that all employees, especially those operating at a senior level clearly understand the key principles of good governance and how to apply them. To this end, this Manual is available on the Trust's intranet with directors and relevant senior managers required to ensure that all staff for whom they are responsible are advised of its existence.

Since 2022 Dorset County Hospital NHS Foundation Trust has been working collaboratively with Dorset HealthCare University NHS Foundation Trust, formally moving to a federated model of working in 2024, in order to help improve the delivery of care to local communities by simplifying decision-making, increasing integration and improving quality. The federated model is supported by a Memorandum of Understanding which sets out the purpose and principles for the collaboration. The Trusts share a joint Chair and joint Chief Executive Officer, and all executive roles are now joint apart from Chief Medical Officer and Chief Operating Officer who remain trust specific. The two trusts also share four joint Non-Executive Directors. The trusts share a joint strategy and have a number of committees in common in order to ensure a joint focus on achieving the strategic aims. From October 2025 the two trust Boards of Directors have met as a Board in Common. During this time local governance arrangements have developed to support the aims of federated working and to ensure systems of internal control continue to be robust.

The Trust has a robust governance framework in place, which ensures that there are clear reporting lines from operational areas through to the Board. The structures that are in place ensure that the responsibilities of the Board as a corporate body are effectively executed and that the Board conducts its business with openness and transparency.

The Standing Orders, in conjunction with the associated Scheme of Reservation and Delegation and Standing Financial Instructions, form the core part of the governance framework. The Scheme of Delegation sets out the responsibilities reserved for the Board and those delegated to the Committees. The Standing Financial Instructions are part of the Trust's control environment for managing the Trust's financial affairs. These policies contribute to good corporate governance, internal control and the management of risk. They also enable sound administration, reduce the risk of irregularities and support the delivery of safe, effective, and efficient services.

## 2.2 Regulatory Framework

NHS Foundation Trusts (FT) are created as legal entities in the form of public benefit corporations by the [National Health Service Act 2006](#). The legislation constitutes NHS FTs with a governance regime that enables the NHS FT board of directors to have autonomy to make financial and strategic decisions. They also have a framework of local accountability to members through a Council of Governors elected from that membership.

Externally, whilst remaining part of the NHS, FTs are authorised by, and accountable for the operation of their licence to NHS England, rather than the Secretary of State for Health & Social Care. FTs are free to decide locally how to meet their obligations. They have specified powers to enter contracts in their own name and to act as Corporate Trustees, in which role they are accountable to the Charity Commission for those funds deemed to be charitable.

Two main regulators hold NHS Foundation Trusts to account for the quality of care they deliver and how they are run.

- The Care Quality Commission (CQC) is the independent regulator of health and social care services; they register, inspect and monitor providers of health services including NHS FTs, and enforce action where necessary.
- NHS England is responsible for overseeing providers of NHS-funded care acting as both an economic regulator and supporting providers to meet standards set by the CQC.

Further detail about the CQC and NHS England is detailed in section 6.2

# 3. Authoritative Bodies

## 3.1 The Board of Directors

### 3.1.1 The Role

The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England, with the power of the Trust set out in the 2006 Act, updated in the Health and Social Care Act 2012 and the Health and Care Act 2022. All the powers of the Trust shall be exercised by the Board of Directors on behalf of the Trust, but any of these powers may be delegated to a committee of Directors or to an Executive Director. The retention and delegation of Board responsibilities is detailed in the Scheme of Reservation and Delegation (section 7.2).

The Board takes corporate responsibility for all activities of the Trust considering the new general duties on Directors as identified in the Health & Social Care Act 2022 (referenced in the Trust Constitution).

The main duties of the Board of Directors are:

- Setting the organisation's strategic aims, taking into consideration the views of the Council of Governors, ensuring the necessary financial and human resources are in place for it to meet its objectives, and reviewing management performance
- Collective responsibility for ensuring the quality and safety of healthcare services, education, training, and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health & Social Care, the Care Quality Commission and other relevant NHS bodies.
- Collective responsibility for adding value to the organisation by promoting its success through the direction and supervision of its affairs.
- Providing proactive leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Setting and maintaining the organisation's vision, values, and standards of conduct, whilst ensuring its obligations to members, patients and other stakeholders including the local community and the Secretary of State are understood and met.

The Board is expected to bring about change by making best use of all its resources – financial, staffing, physical infrastructure, and knowledge – and working with staff and partner organisations to meet the expectations of patients and the public. As leaders, board members are expected to understand opportunities for improving services and motivate others to bring them about.

The Board makes plans to achieve the Government's objectives for healthcare, guided by the targets and delivery dates set out by national guidance and frameworks. The Board also signs off an annual plan, setting out the year's objectives, and it is the function of the Board to ensure progress.

The Board is structured as a unitary board in which decisions are taken collectively by all members, both Executive and Non-Executive Directors, under the leadership of the Chair.

### 3.1.2 Membership

The Board consists of Executive Directors, Non-Executive Directors, and a Chair. The Chair and

Non-Executive Directors include lay people drawn from the local community and are selected with a view to ensuring a balance of skills and experience. They are accountable to the Council of Governors.

### **3.1.3 The Chair and the Chief Executive Officer**

There is a clear division of responsibility between the chairing of the Board of Directors and Council of Governors on the one hand and the executive responsibility for the running of the Trust's business on the other.

The overall role of the Chair is one of enabling and leading so that the attributes and specific roles of the Executive team and the Non-Executives are brought together in a constructive manner.

The Chair is responsible for:

- Providing leadership of the Board of Directors and the Council of Governors, ensuring their effectiveness in all aspects of their role, and setting their agenda.
- Ensuring that the Board and the Council work together effectively.
- Ensuring that directors and governors receive accurate, timely and clear information that is appropriate for their respective duties.
- Ensuring that there is effective communication with patients, members, staff, and other stakeholders.
- Facilitating the effective contribution of all Executive and Non-Executive Directors to the Board's affairs and ensuring that the Board acts as a team.
- Appraising the performance of the Chief Executive Officer and the Non-Executive Directors.

The Chief Executive Officer is accountable to the Chair and Non-Executive Directors for ensuring that the Board is empowered to govern the Trust and that the objectives it sets are accomplished through effective and properly controlled executive action. The Chief Executive Officer should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.

The Chief Executive Officer is responsible for:

- Performing the duties of 'Accountable Officer' as set out in the NHS Act 2006.
- Overseeing risk management within the Trust and signing the Annual Governance Statement.
- Organising, managing, and staffing the Trust.
- Developing and maintaining procedures for the Trust.
- Protecting the Trust's reputation and integrity locally and nationally, by ensuring the Trust is open and honest in its communications and through the development of strong partnerships with all stakeholders.
- Ensuring the quality-of-service provision.

### **3.1.4 Non-Executive Directors**

As members of a unitary board, Non-Executive Directors have a duty to ensure that there is a constructive challenge to the decisions of the Board. Non-Executive Directors are responsible for:

- Bringing independent judgment to bear on issues of strategy, performance, risk management and key appointments.
- Satisfying themselves as to the integrity and robustness of financial, clinical, and other information.
- Determining appropriate levels of remuneration for Executive Directors (through the

Remuneration Committee).

- Appointing and where necessary removing Executive Directors and succession planning.
- Ensuring that 'the Board acts in the best interests of the public and is fully accountable to the public for the services provided by the Trust and the public funds its uses'.
- Undertaking the work of the Audit Committee.
- Providing the Council of Governors with accurate, timely and clear information on the Trust's key quality, performance, and financial indicators.

A Non-Executive Director will be appointed Chair of the Audit Committee. Other appointments include the Senior Independent Director and Deputy Chair.

### **3.1.5 Enhancing Board Oversight**

The Board of Directors may designate lead responsibility to a Non-Executive Director where there is a specific requirement for an individual Non-Executive to be identified or where the Trust has determined that this would provide additional assurance as specified within the Trust's governance arrangements. This designation does not contradict the overall, collective responsibility of the Board to discharge its duties and function as a unitary board; and does not require that the Non-Executive assumes operational matters.

In December 2021, NHS England issued guidance which set out a new approach to ensuring board oversight of important issues by discharging the activities and responsibilities previously held by some Non-Executive 'Champion Roles', through committee structures. Roles and responsibilities have been aligned to Non-Executives where required and within the Trust's Corporate Governance structure.

The list of current Non-Executive Board Champions/Nominated Lead roles are:

- Freedom to Speak Up Champion
- Doctors Disciplinary
- Security Management
- Wellbeing Guardian
- Maternity Board Safety Champion
- Data and Cyber Security
- Mortality

### **3.1.6 Executive Directors**

The Trust's Executive Directors are:

- Chief Executive Officer
- Chief Financial Officer
- Chief Medical Officer
- Chief Nursing Officer
- Chief Operating Officer
- Chief People Officer
- Director of Corporate Affairs

All Executive Directors hold voting rights on the Board of Directors, with the exception of the Director of Corporate Affairs.

Each Executive Director has responsibilities as a member of the Board of Directors and as one of the most senior managers of the operations of the Trust. The specific responsibilities and areas of

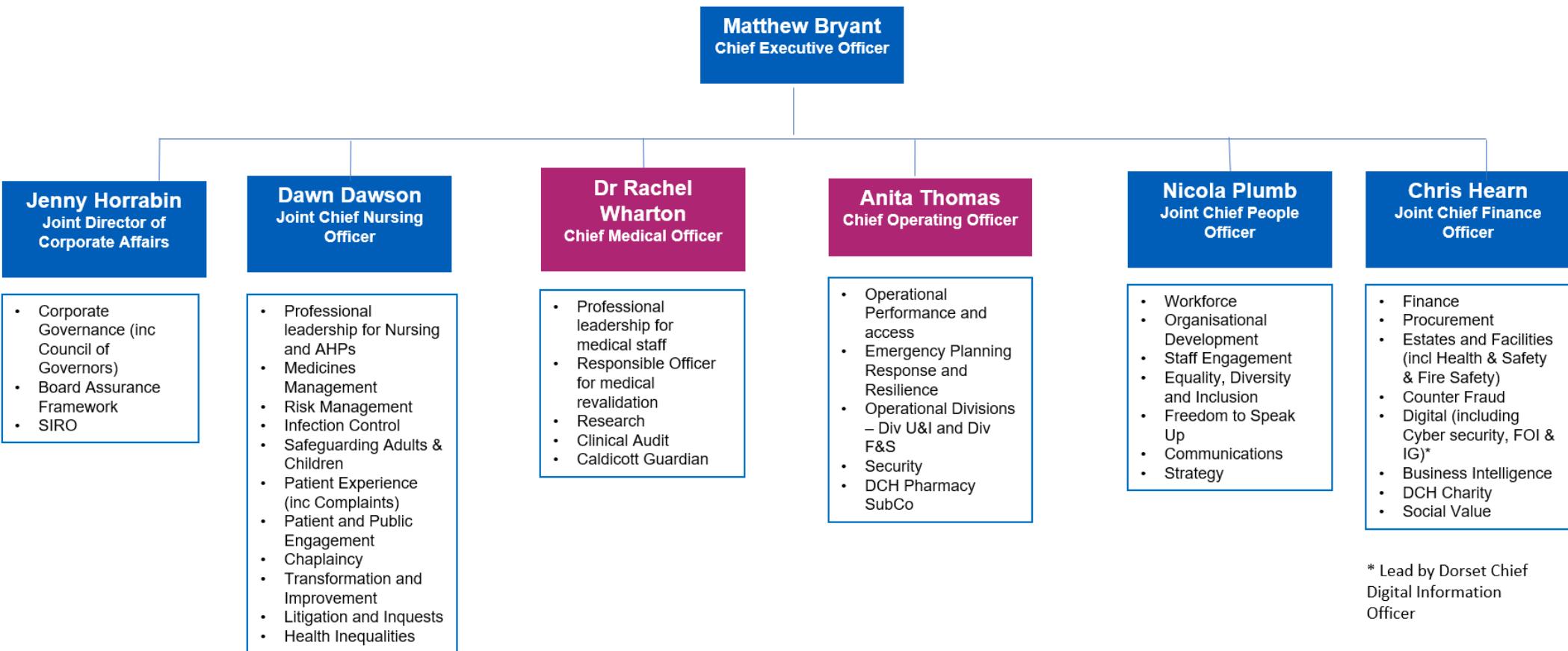
accountability for each executive director are detailed overleaf. The Trust also maintains a document which sets out the leads for responsibility for statutory and regulatory roles and responsibilities. This is held by the Corporate Governance team and is available on request.

The Standing Orders for the Practice and Procedure of the Board of Directors are in Annex 7 of the Trust's Constitution, available [here](#).

# Our Joint Executive Team



# Our Dorset County Executive Team



\* Lead by Dorset Chief Digital Information Officer



Dorset County Hospital and Dorset HealthCare

## 3.2 The Council of Governors

The Council of Governors comprises elected and appointed governors. Elected governors represent two main groups: staff and members of the public. Appointed governors represent key stakeholders of the Trust.

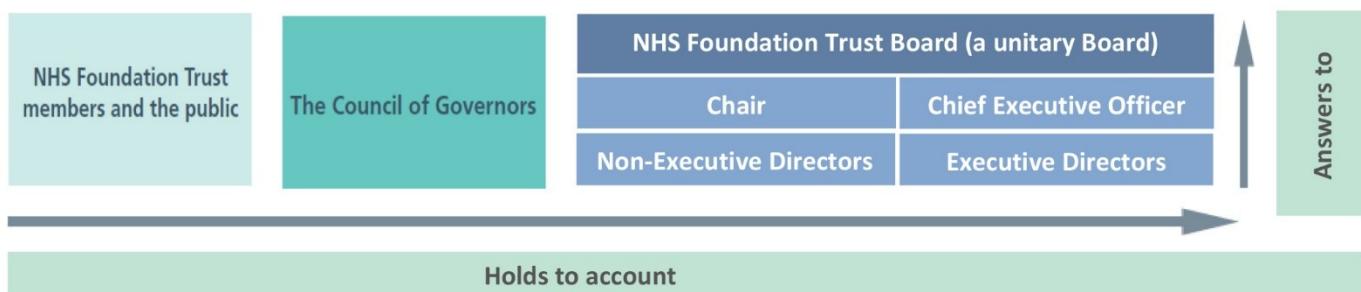
In broad terms, the Council of Governors is responsible for representing the interests of the Trust's members and the partner organisations in the communities served by the Trust. To this end, it prepares and, from time to time, reviews the Trust's Membership and Engagement Strategy.

Governors provide their views to the Board on the Trust's forward plans and are presented with the Annual Report and Accounts, and the Quality Account. Governors have certain statutory duties that they are expected to perform as part of their role. The statutory responsibilities of the Council of Governors, as a collective body (as defined by both the NHS Act 2006 and the Health and Social Care Act 2012), are:

- Appoint or remove the Chair and the other Non-Executive Directors
- Decide the remuneration and allowances, and the other terms and conditions of office, of the Chair and the other Non-Executive Directors
- Approve the appointment of the Chief Executive Officer
- Hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors
- Approve 'significant transactions' and any application by the Trust to enter into a merger, acquisition, separation or dissolution
- Approve any proposed increases in private patient income of 5% or more (in proportion to the Trust's total income) in any financial year
- Approve amendments to the Trust's Constitution
- Appoint or remove the Trust's auditor
- Receive the FT's annual accounts, any report of the auditor on them and the annual report
- Represent the interests of the members of the Trust as a whole and the interests of the public.

Further details on the Council of Governors can be found in the [Trust's Constitution](#) including additional provisions in Annex 4 and within the Standing Orders located in Annex 6.

### Chain of accountability in NHS Foundation Trusts



# 4. The Trust's Corporate Governance Structure

## 4.1 Governance Structure

Governance structures across the Trust ensure that decisions are made in the right place and that risks and issues can be escalated and managed effectively from the line of sight (ward) to the Board. The governance structures create a clear and standardised reporting process across the trust and give us greater assurances about the decisions that are being made – that they are made at the correct level, that they align with our strategy and that they enable us to progress on our improvement journey.

The Board has established a number of committees. These committees have delegated authority to act on behalf of the Board, as outlined in the Scheme of Reservation and Delegation. The committees of the Board are detailed below. Some of these operate as “committees in common” with Dorset HealthCare University NHS Foundation Trust; these are indicated with an asterisk (\*):

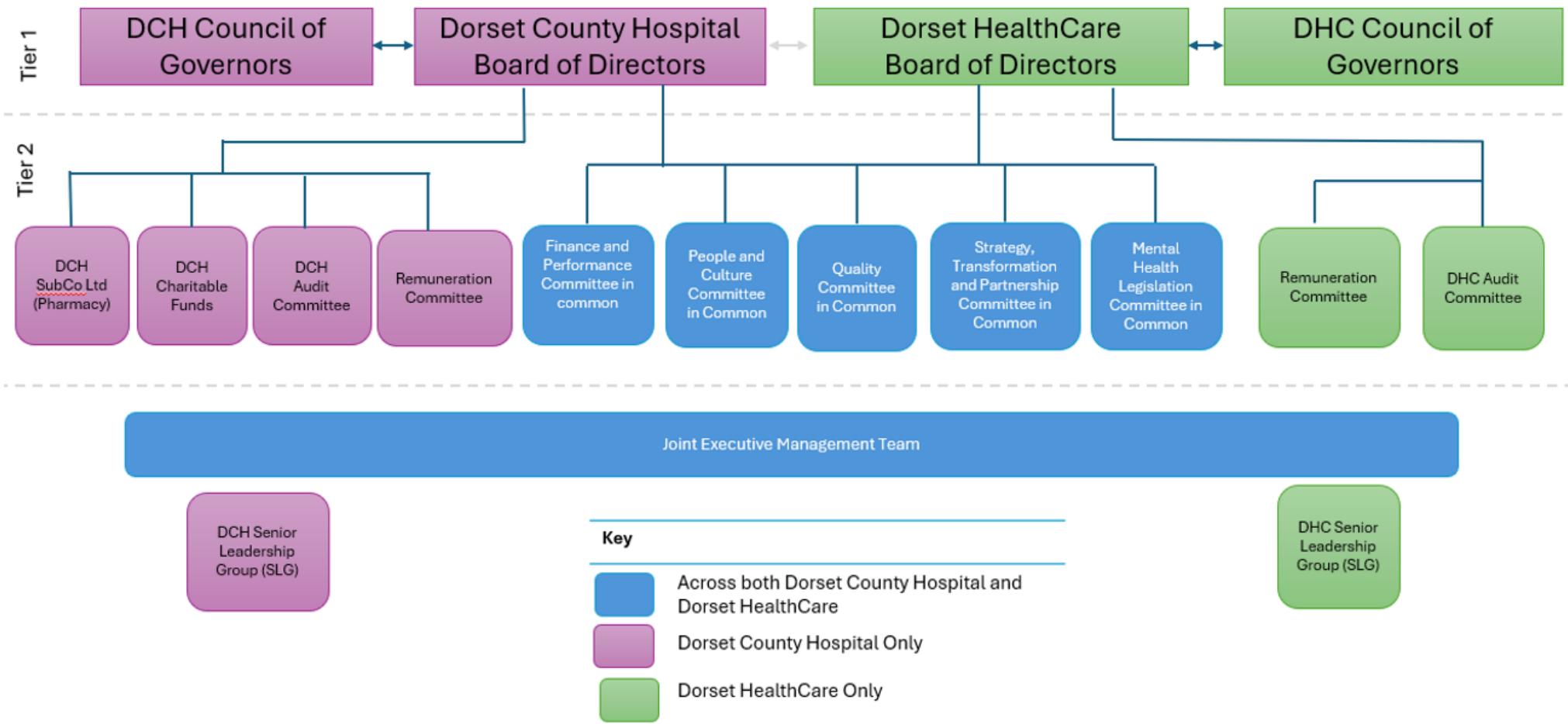
- Audit Committee
- Quality Committee\*
- Finance and Performance Committee\*
- People and Culture Committee\*
- Strategy, Transformation and Partnership Committee\*
- Mental Health Legislation Committee\*
- Remuneration Committee (operating as a committee in common when necessary)
- Charitable Funds Committee

The diagrams below outline:

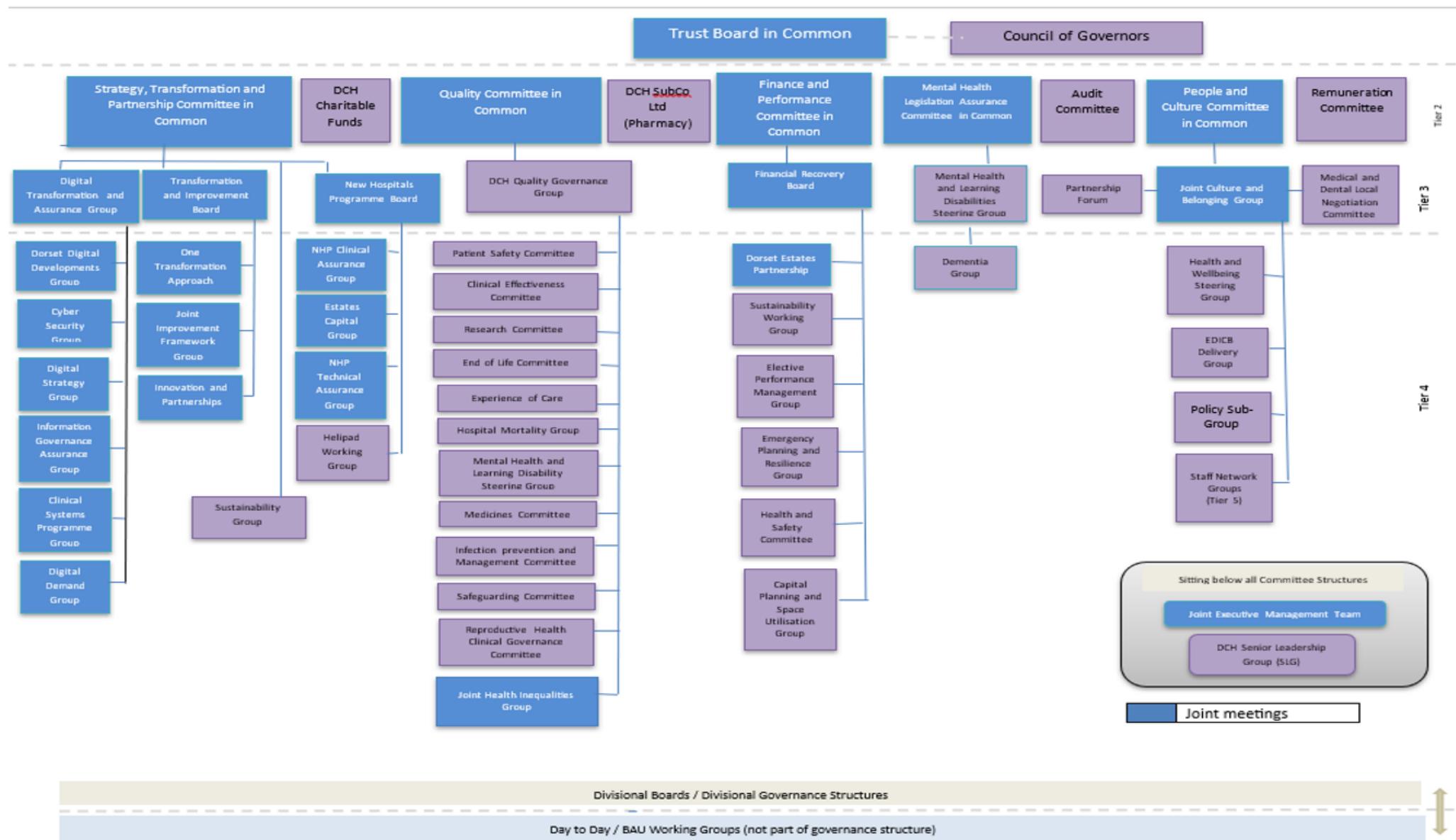
- The governance structure of the Board and committees (tiers 1 and 2) within the federated arrangement between Dorset County Hospital and Dorset HealthCare
- The governance structure of Board, committees, and sub-groups (tiers 1, 2, and 3) for the Trust

# Federated Overall Structure

## Dorset County Hospital Dorset HealthCare



# DCH Committee Structure



Strategy, Transformation and Partnership Committee, People and Culture Committee, Quality Committee, and Finance and Performance Committee meet formally on a bi-monthly basis. These meetings are fully constituted meetings of the committees, which can make decisions in line with the terms of reference, so long as they are quorate. In the intervening months the committees meet informally. This provides the opportunity for Committee development or focussed session on specific topics or emerging issues.

The terms of reference for each committee are approved by the Board on an annual basis and can be found on the [Trust's website](#). A brief description of the role of each committee follows.

## **4.2 Audit Committee**

The purpose of the committee is to maintain oversight of the Trust's systems of internal control, governance and quality safety on behalf of the Board of Directors, seeking assurances from non-executive Committee chairs, supported by executive directors.

The internal audit function is provided by a third-party provider of internal audit services, BDO LLP, which reports to the Audit Committee. The Audit Committee monitors the internal audit work programme and receives regular reports and assurances on the adequacy of controls in place. The Audit Programme facilitates and informs the Head of Internal Audit Opinion that is included within the Trust's annual report each year.

The Trust's external auditors, KPMG, review the plan of work, risks and mitigations and provide recommendations on areas where further mitigations or improvement could be made. They undertake a formal audit of the Trust's accounts and annual report each year which includes scrutiny of: Management Override of Controls, Valuation of Land and Buildings and Fraudulent recognition of non-pay expenditure. External auditors have not provided any non-audit services in year.

Audit Committee meets quarterly, with additional meetings at year-end and to approve the Annual Report and Accounts.

## **4.3 Quality Committee**

The Committee advises, supports and assures the Board on matters related to:

- Oversight of quality, safety, clinical governance and patient and carer experience on behalf of the Board.
- Overseeing, monitoring and reviewing the governance arrangements underpinning the planning and delivery of care according to the Care Quality Commission's (CQC) key lines of enquiry for assessing healthcare services.
  - Are they safe?
  - Are they effective?
  - Are they caring?
  - Are they responsive?
  - Are they well-led?

The Committee also:

- Provides specialist advice, support and assurance to the Board on all matters relating to quality, patient and carer experience, clinical effectiveness, safety, clinical governance, clinical / operational risk and incident management.
- Considers all matters which affect the quality of the service, effectiveness, experience and safety of patients.

#### **4.4 Finance and Performance Committee**

The Committee advises, supports and assures the Board on matters related to:

- Reviewing financial and operational performance. This includes operational performance against both internal and external (agreed local, regional, national, regulatory, commissioning and contractual) indicators and reviewing financial performance and delivery of the Trust's financial efficiency/cost improvement plans;
- Scrutinising and approving enabling strategies, business cases, expenditure, procurement and financial plans in line with the Standing Financial Instructions and Scheme of Delegation;
- Oversight of compliance in respect of estates, health and safety (including fire and water) and Emergency Preparedness, Response and Resilience, Subsidiary Companies and Joint Ventures.

#### **4.5 People and Culture Committee**

The Committee advises, supports and assures the Board on matters related to:

- The production and delivery of strategies and plans related to people, culture and organisational development;
- Overseeing key performance indicators relevant to the scope of the work of the Committee;
- Equality, diversity and inclusion, annual reporting and compliance with regulatory and legislative requirements.

#### **4.6 Strategy, Transformation and Partnership Committee**

The Committee advises, supports and assures the Board on matters related to:

- Oversight of delivery of the Trust's strategic objectives and priorities and the One Transformation Approach (consisting of four portfolios: Place and Neighbourhood; Sustainable Services; Mental Health; and Working Together);
- Ensuring that addressing health inequalities is embedded in the One Transformation Approach;
- Maintaining oversight of the programmes of work in respect of digital; net zero; New Hospital Programme and quality improvement and ensuring alignment with the strategic objectives and priorities and the One Transformation Approach;
- Maintaining oversight of all collaboratives and partnership arrangements, ensuring alignment with the strategic objectives and priorities and the One Transformation Approach.

#### **4.7 Mental Health Legislation Committee**

The Committee advises, supports and assures the Board on matters related to:

- The current and continued operations in accordance with the law and best practice in relation to the rights of mental health services users and specifically the legislation below

(and any subsequent updates) and care and treatment in the Trust embraces the core values of current mental health legislation and protects service users and the community of which they are members.

- The lawful detention and treatment of service users in accordance with the Mental Health Act 1983 and Mental Health Act 1983: Code of Practice;
- The appropriate application of Deprivation of Liberty Safeguards and the requirements of the Mental Capacity Act 2005; and
- Mental Health Units (Use of Force) Act 2018 and associated statutory guidance.

Mental Health Legislation Committee meets quarterly.

## **4.8 Remuneration Committee**

The Committee is responsible for appointing and determining the starting salaries of the Chief Executive and Executive Directors and to review and make recommendations to the Board on its Executive composition, balance and skill mix, taking into account the future challenges, risks and opportunities facing the trust and the skills and expertise that are required within the Board to meet them.

The committee is responsible for:

- Determining the remuneration packages for the Chief Executive and the Executive Directors and ensuring that adequate executive succession planning arrangements are in place.
- Determining the remuneration package for all staff who are not Executive Directors but are on Very Senior Manager (VSM) terms and conditions.
- Scrutinising non-contractual termination and special payment packages for the Chief Executive and Executive Directors, ensuring that these represent value for money.

Remuneration Committee meets on an ad-hoc basis as required, but at least twice a year.

## **4.9 Charitable Funds Committee**

The purpose of the committee is to:

- Provide strategic direction in determining and safeguarding the mission and vision of the charity;
- Ensure that the charity is managed and administered properly and that the assets of the charity are protected and enhanced;
- Oversee the operation of the charity and its transactions and the management of the investments owned by the charity;
- Seek assurance that the charity is operating in accordance with relevant legislation and with the regulations associated with its registration with the Charity Commission.

Charitable Funds Committee meets on a bi-monthly basis.

## 4.10 Management of Corporate Meetings

### 4.10.1 Meeting Lifecycle

Planning for all Board and Committee meetings start with an agenda planning meeting with the chair, executive lead(s), and Corporate Governance Manager of the meeting. The Corporate Governance Manager presents a draft agenda developed using the workplan for the meeting and incorporating any due actions arising from previous meetings. These planning meetings take place approximately four weeks ahead of the meeting proper.

Following this, the Corporate Governance Team issues a call for papers, requesting papers from specific authors and executive leads, as well as updates to any due actions. A deadline is set for papers to be received approximately 10 calendar days ahead of the meeting.

Papers submitted for Board or Committee meetings must have approval from the responsible executive, must be submitted on the correct template, and must include a front sheet detailing the impact of the paper on the Trust's strategic objectives, Board Assurance Framework, finance, and statutory and regulatory obligations. The front sheet for the report should also include a sufficiently detailed executive summary that effectively summarises the key issues and recommendations of the papers. The front sheet and report template, which includes report-writing guidance, is available to staff across the trust and are published on the staff intranet.

Following a quality review from the Corporate Governance Team, papers are compiled and published on AdminControl seven calendar days before the meeting. AdminControl is a board management portal which allows papers to be shared securely with meeting members. The agenda for the meeting is shared with all attendees but given their often-confidential nature the full papers are only accessible to members of the meeting (or their deputies when required), as defined in the Terms of Reference. Papers of public Board meetings are also published on the [Trust's website](#).

Minutes are written within five working days of the meeting, and an assurance report summarising key issues of the meeting is presented to the next Board of Directors meeting, to ensure that the Board has continued oversight of the committees it has formally established.

### 4.10.2 Effectiveness Reviews

The effectiveness of all board sub-committees is reviewed on an annual basis. The review comprises a quantitative and qualitative survey for committee members to complete as well as a detailed review of core meeting documents including the Terms of Reference and annual workplan. Details of member attendance is also provided along with an assessment of the extent to which the committee has discharged its duties.

With regards to the survey, the Audit Committee review follows the checklist from the HFMA Audit Committee Handbook which includes a survey to members, a self-assessment of the functioning of the committee conducted with the meeting chair, and a separate effectiveness review.

For the other Committees the reviews focus on the follow areas:

- Focus
- Team working
- Impact
- Engagement

- Leadership
- Process of meeting

Workplans have been developed for all committee and Board meetings to help manage the work of the meetings over the course of a year. The workplans detail which agenda items the meeting receives in which month and is included in the papers for every meeting for awareness and information. It is refreshed annually as part of the effectiveness review to incorporate all areas the meeting is responsible for as outlined in the terms of reference. It is also a working document which is updated throughout the year as the Corporate Governance Team are advised of additional ad-hoc items the meeting needs to receive, or if items need to be deferred for any reason. These changes are clearly marked on the workplan so that there is an audit trail, allowing meeting members to be able to see changes made over time.

A paper summarising the outcome and actions of the effectiveness review is presented to committee to receive assurance on the review and to approve the revised terms of reference and workplan. Following this a final paper is submitted to the Board of Directors summarising the outcomes and actions of each committee effectiveness review to ensure that the Board maintains strong oversight of the committees it has established.

# 5 Trust Overview

## 5.1 Our Vision

Healthier lives, empowered citizens, thriving communities.

## 5.2 Our Mission

To work in partnership to provide high quality, compassionate services and to nurture an environment where people can be at their best.

## 5.3 Our Joint Strategy

In September 2024 we launched our joint strategy, Working Together, Improving Lives, with Dorset HealthCare. As federated NHS trusts working closely with our Dorset health and care system partners, we are setting out clear intentions and ambitions that we can achieve together.

We need to transform our services and the way we work to better meet the needs of Dorset people and communities now and for the future. Our ambition is to change out of hospital services across the whole health and care system. We need to do this to meet the challenges we face, along with the wider NHS, and to improve access to healthcare for local people.

Working closely with citizens and communities and putting their voice at the heart of all we do is vital to our success. We are looking to transform the way people manage their own health – empowered, supportive communities and innovative digital solutions will be two key elements to this change.

Our strategy is aligned to the national priorities for the NHS, as well as the ambitions set out in the Dorset Integrated Care Partnership's strategy Working Better Together. We believe strongly in the power of partnership and that we can achieve more together as two trusts, playing our part alongside partners in the wider health and care system.

Our vision, mission and objectives clearly reflect our renewed focus on improving population health, working in partnership, making the very best use of our resources and supporting, developing and retaining our people. Central to this strategy is our commitment to inclusion and belonging and to ensuring that we address the inequalities we know exist in health outcomes for some communities and groups.

We also recognise that as large organisations we can make a positive contribution to society, supporting our communities and our economy to thrive by adding social value. Our objectives will guide us in achieving the strategic outcomes we set, underpinned by robust delivery plans and a structured approach to transforming and improving our services.

Our joint strategy can be read in full [here](#). Our strategy on a page can be viewed overleaf.



Our vision is for healthier lives, empowered citizens, thriving communities.



Our mission is to work in partnership to provide high quality, compassionate services and to nurture an environment where people can be their best.



Our values

### Our strategic objectives



#### Care

We provide safe, compassionate care.

- Improved access to the right care, at the right time, in the right place
- People are equal partners in their care and have a positive experience
- Patients and service users are always safe in our care



#### Communities

We help build strong communities where people live well and are healthier.

- Improved population health and wellbeing through joined up working across health and care
- People staying well through prevention, detection and early intervention, with more control over their own health
- People and communities involved in shaping health and care services



#### Colleagues

We are empowered, skilled, caring colleagues who can thrive at work.

- Colleagues are positive about their experience at work
- All colleagues feel they belong and are included
- A sustainable workforce with the right skills now and for the future



#### Sustainability

Our services are sustainable environmentally and financially and we make best use of resources.

- Releasing time to care through improved processes, skill mix and digitally enhanced technology
- Sustainable models that optimise use of the available resources
- Using our size, scale and reach to make a positive difference to the economic and social wellbeing of Dorset
- Minimise our negative impact on public health and the environment

#### Dorset County Hospital

- Respect
- Integrity
- Teamwork
- Excellence

#### Dorset HealthCare

- Working together for patients
- Respect and dignity
- Commitment to quality of care
- Compassion
- Improving lives
- Everyone counts
- Commitment to learning

# 6 Systems of Control

## 6.1 Internal Control

Internal control entails having in place processes and procedures which together ensure that the Trust is meeting the terms of its authorisation, running effectively, smoothly, and safely, and keeping risks to a minimum. Internal control also entails the Trust having clearly identifiable objectives and identifying the risks to achieving those.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Dorset County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### 6.1.1 Board Assurance Framework

Following the development of the Joint Strategy work on developing the Joint Principal Risks to achieving the Joint Strategic Objectives continued and these were approved by the Boards of both Dorset County Hospital and Dorset HealthCare.

Each Trust has a joint set of strategic risks and the template and review process are the same. A standard template is in place for the Board Assurance Framework, with a consistent framework across both Trusts. This template has been developed to show 'a risk on a page' with an overview of all risks. Whilst the template and review process are the same for both trusts, the Board Assurance Framework is separate for each organisation as the controls and assurances and risk scores are different between Dorset County Hospital and Dorset HealthCare.

The Board Assurance Framework is reported to committee and board meetings on a quarterly basis and provides the Trust with a comprehensive method for the effective and focused management of the principal risks to meeting its objectives. It also provides a structure for the evidence to support the Annual Governance Statement.

The Audit Committee is responsible for reviewing the levels and effectiveness of the assurances that the Board receives in respect of the identified strategic risks, ensuring that they are relevant and timely and that this contributes to the effectiveness of the overall system of internal control. Individual Committees have responsibility for oversight of specific risks.

The Trust's strategic risks are shown in the table below:

Reference	Strategic Risk
SR1: Safety and Quality	If we are not able to deliver the fundamental standards of care in all of our services, we will not be providing consistently safe, effective and compassionate care.

SR2: Culture	If we do not achieve a culture of compassion and empowerment and engagement, we will not have a motivated workforce with the required capacity and skills to improve patient outcomes and deliver safe care.
SR3: Workforce Capacity	If we are not able to recruit and retain the required number of staff with the right skills, we will not be able to deliver high quality and safe sustainable services within our resources.
SR4: Capacity and Demand	If we do not meet current and expected demand and achieve local and national measures and targets within available resources, we may face regulatory action and patients' outcomes will be adversely affected.
SR5: Estates	If we do not have an estate that is fit for purpose and economically and environmentally viable, we will be unable to provide the right places for our staff to deliver high quality services to the communities that we serve.
SR6: Finance	If we do not deliver on our financial plans, including the required level of savings, this will adversely impact our ability to provide safe sustainable services, and will impact upon the overall ICS position.
SR7: Collaboration	If we do not have effective and positive partnerships within the ICS then we will not be able to shape decision and deliver the transformation required.
SR8: Transformation and Improvement	If we do not seek and respond to the views of our communities to co-produce and continuously improve and transform our services, we will not contribute to the reduction of health inequalities within our communities.
SR9: Digital Infrastructure	If we do not advance our digital and technological capabilities, including achieving our HER ambition, we will not deliver the innovative and sustainable services, the delivery of safe services could be compromised.
SR10: Cyber Security	If we do not take sufficient steps to ensure our cyber security arrangements are maintained and up to date, then we are at increased risk of a cyber security incident.

### 6.1.2 Processes and Procedures

There are two broad categories of internal processes and procedures which ensure the proper running of the Trust. First, there are those which provide a comprehensive framework for the proper conduct of business:

- Standing Orders of the Board of Directors (contained within the Constitution, see section 7.1) including the Scheme of Reservation and Delegation (section 7.2).
- Standing Orders of the Council of Governors (contained within the Trust's Constitution, see section 7.1)
- Standing Financial Instructions (section 7.3).

All Board members and managers should be aware of the existence of these documents and, where appropriate, should be familiar with the detailed provisions. Staff should pay attention to the detailed scheme of delegation as any action that they take which is outside of their delegated authority could have serious consequences for both the Trust and the individual.

Secondly, there are the internal risk management processes and procedures which together constitute the Board Assurance Framework.

### **6.1.3 Risk Management**

Risk management is the key system through which clinical, organisational, and financial risks are managed by all staff to the benefit of patients, visitors, staff, and other stakeholders.

The Trust has a Risk Management Strategy which:

- Is approved by the Board
- Sets out the approach to setting the Trust's risk appetite
- Defines the structures for the management, ownership, and oversight of risk defines the management of situations in which the failure of controls leads to material realisation of risks
- Specifies how both new and existing activities are assessed for risk and incorporated into risk management structures
- Ensures common understanding of terminology used in relation to risk
- Defines the processes and considerations which inform the assessment of risk
- Defines the way in which the risk register is regularly reviewed.

The risk appetite statement sets out how the organisation balances threats and opportunities in pursuit of achieving its objectives. Understanding and setting a clear risk appetite is essential to achieving an effective risk management framework. It also assists the organisation to have a consistent approach in responding to risks. The Trust's risk appetite statement is reviewed on an annual basis with the current iteration subject to approval by the Board of Directors on 9<sup>th</sup> December 2025.

The Trust's Risk Register is a database of all the risks which are recorded within the Trust, from individual site, divisional and support service risk register. This includes individual departments and ward risks. It identifies which staff member is leading on the management of that risk and identifies the risk grading. It is the totality of all risks recorded on a risk management software system. The Register also includes details of action plans to mitigate the risks and identify progress against these plans.

The Corporate Risk Register is all risks from the Trust Risk Register which score above a set level in their assessment and is automatically populated from the Trust Risk Register.

### **6.1.4 Performance**

The Board will review an Integrated Performance Report covering financial, activity, and quality performance data including workforce and operational activity. These will include key relevant national priorities and regulatory indicators. More detailed performance reports will be considered by relevant Board committees to ensure corporate oversight across key functions to include all metrics.

### **6.1.5 Annual Governance Statement**

The Board needs to demonstrate that it has reviewed and been properly informed about the totality of its risks. The Chief Executive Officer is required to sign an Annual Governance Statement (AGS), as part of the statutory Annual Report & Accounts, confirming that the Board and the Chief Executive Officer have reviewed the system of internal control within the Trust and have received assurance on that system.

The AGS is submitted annually to NHS England and covers the following:

- The scope of the responsibility of the Accountable Officer (Chief Executive Officer)

- The purpose of the system of internal control.
- The Trust's capacity to handle risk.
- The risk and control framework.
- The process used to ensure that resources are used economically, efficiently, and effectively.
- Confirmation that a review of effectiveness has been undertaken and that a plan is in place to address any weaknesses.
- The process for maintaining the system of internal control and details of actions planned or taken to deal with any significant internal control issues. These might include:
  - an issue which seriously prejudiced or prevented the achievement of a principal objective.
  - an issue which resulted in a need to seek additional funding, or in a significant diversion of resources.
  - an issue which the External Auditor or the Head of Internal Audit or the Audit Committee considers to be significant.
- An issue which attracted significant adverse public interest or seriously damaged the reputation of the Trust.

The AGS is signed off by the Chief Executive Officer, as Accountable Officer, on behalf of the Board of Directors. The Head of Internal Audit provides an annual opinion on the adequacy and effectiveness of the risk management, control, and governance processes to support the AGS. The full AGS can be found in the [Annual Report & Accounts](#).

#### **6.1.6 Custody of Seal and Sealing of Documents**

The Secretary shall have charge of the Trust's seal which will be kept in a secure place.

The seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or of a Committee, where the Board has delegated its powers. Before any building, engineering, property or capital document is sealed it must be approved and signed by the Chief Executive Officer (or an Officer named by them) and authorised and countersigned by the Chair (or an Officer nominated by them who shall not be within the originating directorate).

An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealings should be made to the Trust via the Audit Committee on an annual basis. (The report shall contain details of the seal number, the description of the document and the date of sealing).

The use of the common seal shall be confined to the purpose outlined below and to such other purposes as may in future be designated by law.

- Contracts made by the Trust as per the Trust's tendering and contract procedure.
- Documents relating to the purchase of stocks and shares in accordance with the Trust's policy on charitable funds.
- Issue of training certificates.
- Any other contracts, indemnity, deed or undertaking, which by law require the use of the Trust's seal.

## 6.2 Independent Control and Regulation

Systems of independent control offer an external source of assurance to the Board on the performance of the Trust and are able to provide advice on good practice across and beyond the healthcare sector.

### 6.2.1 Internal Audit

Internal Audit is an independent and objective assurance service which has no executive responsibilities within the line management structure. It has an annual plan focused on key aspects of risk management, control or governance agreed by the Trust's Audit Committee which is kept under review to consider any significant changes to the Trust's risk profile.

Internal Audit embraces two key areas:

- The annual provision of an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives.
- The provision of an independent and objective advisory service specifically to help line management improve the Trust's risk management, control, and governance arrangements.

The Head of Internal Audit's annual report presents the opinion on the overall adequacy and effectiveness of the Trust's risk management, control, and governance processes. This encompasses an opinion on the Trust's Assurance Framework and other mandated work alongside the conclusions arising from the risk-based internal audit assignments within the plan. The degree to which previous audit recommendations have been acted on also forms part of the opinion.

In addition to the formal annual report, the Head of Internal Audit reports interim progress to the Audit Committee and Accountable Officer in the year. Such interim reports detail objectives, findings, and performance against plan. Additionally, progress against the implementation of agreed recommendations is followed up and reported to the Audit Committee on a regular basis.

The Internal Audit Terms of Reference provide the Trust with the framework for the provision and conduct of an Internal Audit service, in accordance with the requirements of the NHS Internal Audit Standards, the NHS Audit Committee Handbook (2024) and the Trust's Standing Financial Instructions.

### 6.2.2 Head of Internal Audit

The Head of Internal Audit reports to the Audit Committee, with the Chief Finance Officer taking executive oversight for the provision of the Internal Audit service (except when this may impinge on the objectivity of the audit).

The Head of Internal Audit, or an appropriate representative of the internal audit team, attends meetings of the Audit Committee unless, exceptionally, the Audit Committee decides that they should be excluded from either the whole meeting or for agenda items.

The Head of Internal Audit has an independent right of access to the Chair of the Audit Committee. In exceptional circumstances, where normal reporting channels may be seen to impinge on the objectivity of the audit, they may report directly to the Chair of the Trust.

If the Head of Internal Audit considers that the level of audit resources or the terms of reference in any way limit the scope of internal audit, or prejudice the ability to deliver a satisfactory service, they will advise the Audit Committee accordingly.

### **6.2.3 Counter Fraud**

Managing the risk of fraud is the responsibility of Trust management. To support this endeavour, the Trust has in place a comprehensive Anti-Bribery & Counter Fraud Policy (DCH), and a nominated Local Counter Fraud Specialist who raises awareness, undertakes preventative work, and investigates allegations of fraud. Key information resources to support staff are available on the Trust's intranet and website.

The relationship between the Trust's Local Counter Fraud Specialist, the Head of Internal Audit and the Trust's Chief Finance Officer is conducted in accordance with the requirements of the Government Functional Standard GovS 013: Counter Fraud.

### **6.2.4 External Audit**

All foundation trusts must have their accounts audited by independent external auditors who are appointed by the Council of Governors. The audited annual accounts must be laid before Parliament.

The External Auditor's opinion on the annual accounts reports on whether:

- The financial statements give a true and fair view, in accordance with the accounting policies directed by NHS England of the state of the Trust's affairs and of its income and expenditure for the year as then ended.
- The part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by NHS England.
- Information included within the Annual Report is consistent with the financial statements.

### **6.2.5 NHS England**

NHS England (NHSE) assesses NHS trusts for foundation trust status and ensures that foundation trusts are well-led, in terms of quality and finances. It licences foundation trusts with other eligible providers of NHS services to be licenced from April 2014 and:

- Sets prices for NHS-funded care in partnership with NHSE.
- Enables integrated care.
- Safeguards choice and prevents anti-competitive behaviour which is against the interests of patients; and supports commissioners to protect essential health care services for patients if a provider gets into financial difficulties.

The relationship with NHS England is based on effective self-governance and self-certification of compliance, with the Board of Directors taking primary responsibility for compliance with its Provider Licence. NHSE may intervene if necessary, where there is considered to be a significant breach of the terms of the Provider Licence. The Trust reports to NHS England annually (by way of an Annual Plan) and as part of the NHS Oversight Framework which is regularly reviewed by NHSE and available on its website.

The role and function of NHS England is currently under review as part of the government's "Fit for the Future: 10 Year Health Plan for England" and the development of Advanced Foundation Trusts.

#### **6.2.6 Care Quality Commission (CQC)**

The CQC brings together independent regulation of health, mental health, and adult social care. It is responsible for registering, reviewing, and inspecting health, adult social care, and mental health services, working with providers to encourage them to improve the quality of their services. It has powers to issue warnings, impose fines and refuse to register service providers.

Performance ratings resulting from the review of all NHS Bodies in England are published annually. Information about the Trust's current position is available at: [www.cqc.org.uk](http://www.cqc.org.uk).

# 7 Core Governance Documents

Throughout 2024/25 and 2025/26 Dorset County Hospital and Dorset HealthCare have been aligning the core governance documents detailed below, as part of the next phase of our federated working arrangements.

## 7.1 Constitution

The Trust's Constitution translates the trust's statutory powers into a series of practical rules. It sets out the core governance arrangements for the Trust, specifying how functions will be carried out and how decisions will be made. It includes detailed information about how the Trust operates, provisions for trust membership, rules for the election of the Council of Governors, and sets out the powers of the Board of Directors.

Included within the Constitution are the Standing Orders for the Practice and Procedure of the Council of Governors, and Standing Orders for the Practice and Procedure of the Board of Directors.

The Constitution can be found [here](#).

## 7.2 Scheme of Reservation and Delegation

The Board of Directors is responsible for the management of the Trust's business, and as such may exercise all the powers of the Trust. The Scheme of Reservation and Delegation outlines which of those powers the Board of Directors reserves for itself, and which are delegated to specific Directors or committees of the Board. Part of the scheme of delegation is derived from the [Accounting Officer Memorandum](#), which all NHS Foundation Trusts must comply with.

## 7.3 Standing Financial Instructions

The Trust's Standing Financial Instructions (SFIs), together with the Trust's Standing Orders, provide a business and financial framework within which all executive directors, non-executive directors and officers of the Trust will be expected to work. All executive and non-executive directors and all members of staff should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions. The SFIs ensure that financial transactions are carried in accordance with the law and government policy.

The Standing Financial Instructions can be found [here](#).

## 7.4 Board Committee Terms of Reference

Some of the matters for which the Board is responsible are delegated to Board Committees, which operate within defined terms of reference. Terms of Reference for Board committees detail the

responsibilities delegated to committees from the Board, accountability arrangements, and duties of the committee. They also outline the practical requirements for convening a meeting of the committee. The majority of the Trust's committees meet in-common with those of Dorset HealthCare to support the federated working of the trusts.

The Board Committee Terms of Reference can be found [here](#).

## 7.5 Council of Governors Terms of Reference

The Council of Governors has established a number of committees with delegated authority from the Council to conduct business.

- Nomination and Remuneration Committee
- Membership Development Committee
- Strategic Planning Committee
- Constitution Review Committee

## 7.6 Conflicts of interest, gifts and hospitality

Dorset County Hospital NHS Foundation Trust and the people who work with and for us, collaborate closely with other trusts, delivering high quality care for our patients.

These partnerships have many benefits and should help ensure that public money is spent efficiently and wisely, but there is a risk that conflicts of interest may arise.

Providing best value for taxpayers and ensuring that decisions are taken transparently and clearly, are both key principles in the NHS Constitution. We are committed to maximising our resources for the benefit of the whole community. As a trust and as individuals, we have a duty to ensure that all our dealings are conducted to the highest standards of integrity and that NHS monies are used wisely so that we are using our finite resources in the best interests of patients.

### 7.6.1 Managing Conflicts of Interest Across the Federation

The shared leadership structure across the federation means that it is of critical importance to comprehensively manage conflicts of interest. Our process for managing conflicts of interest follows the [NHS England guidance](#) on the matter, and the trust's policy on managing conflicts of interest outlines what interests, gifts and hospitality must be disclosed and how this can be done. A copy of the policy is available [here](#).

All Board Members are required to declare their interests, and these are published on our [website](#). In addition, at the beginning of all Committee and Board meetings all members are required to declare any interests relevant to the items on the agenda. We now include the register of interests in the papers for our Board of Directors meetings to enable all Board members to have visibility of all potential conflicts.

All Directors are required to sign contracts of employment which details their responsibilities relating to business conduct and conflicts of interest. Directors employed in a joint role across both trusts have a secondment agreement in place which also includes specific details relating to the management of conflicts of interests which may arise when working in a joint role across both

trusts.

All NHS board members, in their capacity as public office holders, are expected to abide by the 'Nolan Principles' as defined by the Committee on Standards in Public Life and this is included in contracts of employment. In addition we undertake the [Fit and Proper Person test \(FPPT\)](#) for all Board Members; this is subject to annual review, and we are required to submit an annual statement of compliance to NHS England. No areas of concern were identified in the 2024/25 submission.

Our Annual Report also includes a statement of compliance relating to managing conflicts of interest. All trusts are required to prepare a set of financial statements annually and these are subject to external audit and reported to the Audit Committee and Board. Our 2024/25 audit has not identified any areas of concern relating to conflicts of interest.