

# Mapping Code of Governance disclosure requirements for NHS foundation trusts

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## Introduction

The [Code of governance for NHS provider trusts](#) (the *Code of governance*) was published in October 2022 and has been applicable since 1 April 2023. It replaces the previous NHS foundation trust code of governance issued by Monitor.

The Code of governance sets out a common overarching framework for the corporate governance of NHS providers (being NHS trusts and NHS foundation trusts), reflecting developments in UK corporate governance and the development of integrated care systems. Providers must comply with each of the provisions of the code or, where appropriate, explain in each case why the provider has departed from the code.

NHS providers are required to provide some disclosures in their annual report to meet the requirements of the Code of governance. Schedule A to the Code of governance summarises the relevant provisions in the document. For NHS foundation trusts the disclosure requirements are brought into the [NHS foundation trust annual reporting manual](#) (‘FT ARM’) with the requirements of the updated Code of governance applicable from 2023/24.

**This document** has been prepared to help NHS foundation trusts understand how the annual report disclosure requirements (both mandatory disclosure and ‘comply or explain’) in the new Code of governance for NHS provider trusts compare to the previous Monitor FT Code of governance. It is presented in two parts, mapping in both directions. This document is presented as optional supporting guidance and does not form part of NHS England’s direction over the content of NHS foundation trust annual reports (this is the FT ARM). It also does not form part of the Code of Governance itself. If there is any doubt as to current requirements, the current *Code of governance for NHS provider trusts* should be the sole source of reference.

# (1) Mapping previous FT Code of governance disclosure requirements to new Code of governance for NHS providers

## Mandatory disclosure requirements

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
2: Disclose	Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	New Code: section B 2.17. Minor wording changes.
2: Disclose	Board, Nomination Committee(s), Audit Committee, Remuneration Committee	A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.  Part of this requirement is also contained within paragraph <b>Error! Reference source not found.</b> as part of the directors' report.	New Code: attendance part in section B 2.13 (unchanged). Identifying individuals implicit in other parts of new Code.  Disclosures relating to board of directors also required by FT ARM section on directors' report and relating to remuneration committee in remuneration report.

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
2: Disclose	Council of Governors	A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	This requirement is not in Schedule A of the new Code but is in Appendix B paragraph 2.3. Retained in FT ARM.
Additional requirement of FT ARM	Council of Governors	n/a	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	This disclosure requirement is not included in the new Code Schedule A. The new Code includes this in section 2.3 to be made available to members on request and is no longer separately mandated by the FT ARM
2: Disclose	Board	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	New Code: section B 2.6. Expanded.
2: Disclose	Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	New Code for first part: section C 4.2. Second part – new Code comply or explain section C 2.2. Also retained in Code as required to be made publicly available (section C 4.2) but not specifically mandated in annual report.

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
Additional requirement of FT ARM	Board	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	This disclosure requirement is not included in the new Code Schedule A. It continues to be part of the FT ARM remuneration report requirement for disclosing information on senior managers' service contracts.
2: Disclose	Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	New Code: expanded in section C 2.5 and section C 4.13
Additional requirement of FT ARM	Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	New Code: amended requirement in section C 2.5
2: Disclose	Chair/Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	New Code: direct annual report disclosure removed. Comply or explain provision section B 2.14
2: Disclose	Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	New Code section C 5.15, unchanged

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
Additional requirement of FT ARM	Council of Governors	n/a	<p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p>This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p>	<p>Not specifically included in the new Code.</p> <p>Retained as an additional requirement in the FT ARM.</p>
2: Disclose	Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	New Code: requirement regarding nominations committee, section C 4.13.
2: Disclose	Board	B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	New Code: amended requirement section C 4.7

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
2: Disclose	Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph <b>Error! Reference source not found.</b>	New Code: updated requirement in section D 2.6 Part of this continues to be reflected in the FT ARM statement of accounting officer's responsibilities.
2: Disclose	Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Reflected in new Code section D 2.8. Updated to recognise this is done in the annual governance statement.
2: Disclose	Audit Committee/control environment	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Requirement in (b) retained in new Code section D 2.4
2: Disclose	Audit Committee/ Council of Governors	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	No longer in new Code schedule A

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
2: Disclose	Audit Committee	C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> <li>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul>	New Code: section D 2.4 and D 2.5.
2: Disclose	Board/Remuneration Committee	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	New Code: section E 2.3
2: Disclose	Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	This requirement is not in Schedule A of the new Code but is in Appendix B paragraph 2.15. Retained in FT ARM.
2: Disclose	Board/ Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Not required in new Code Schedule A

From previous FT Code of Governance				Map across to new Code of Governance for NHS providers
Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	
2: Disclose	Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	This requirement is not in Schedule A of the new Code but is in Appendix B paragraph 2.14. Retained in FT ARM.
Additional requirement of FT ARM	Membership	n/a	The annual report should include: <ul style="list-style-type: none"> <li>• a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• information on the number of members and the number of members in each constituency; and</li> <li>• a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.</li> </ul>	Not required in new Code Schedule A
Additional requirement of FT ARM (based on FReM requirement)	Board/ Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph <b>Error! Reference source not found.</b> as directors' report requirement.	New Code links to managing conflicts of interest guidance in section A 2.10.  This continues to also be a requirement of the FT ARM section on the directors' report.

## Comply or explain requirements

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Board	A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery	Expanded in new Code section A 2.4
6: Comply or explain	Board	A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	Expanded in new Code section A 2.5
6: Comply or explain	Board	A.1.6	The board should report on its approach to clinical governance.	Expanded in new Code section A 2.6
6: Comply or explain	Board	A.1.7	The chief executive as the accounting officer should follow the procedure set out by NHS England for advising the board and the council and for recording and submitting objections to decisions.	Not included in new Code
6: Comply or explain	Board	A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	Not included in new Code
6: Comply or explain	Board	A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.	Not included in new Code
6: Comply or explain	Board	A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	Amended in new Code section C 5.17
6: Comply or explain	Chair	A.3.1	The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.	Update in new Code section B 2.5.
6: Comply or explain	Board	A.4.1	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	Expanded in new Code section B 2.11
6: Comply or explain	Board	A.4.2	The chairperson should hold meetings with the non-executive directors without the executives present.	Expanded in new Code section B 2.12

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Board	A.4.3	Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	New Code section A 2.11.
6: Comply or explain	Council of Governors	A.5.1	The council of governors should meet sufficiently regularly to discharge its duties.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.1.
6: Comply or explain	Council of Governors	A.5.2	The council of governors should not be so large as to be unwieldy.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.2.
6: Comply or explain	Council of Governors	A.5.4	The roles and responsibilities of the council of governors should be set out in a written document.	New Code disclosure requirement section B 2.17.
6: Comply or explain	Council of Governors	A.5.5	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.5
6: Comply or explain	Council of Governors	A.5.6	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.6. Engagement from Board perspective in new Code disclosure requirement section A 2.8.

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Council of Governors	A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.7. Engagement from Board perspective in new Code disclosure requirement section A 2.8.
6: Comply or explain	Council of Governors	A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.	Not in new Code 'comply or explain' list in Schedule A, but continues in appendix B para 2.8
6: Comply or explain	Council of Governors	A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties.	Similar requirement in new Code comply or explain section C 5.8.
6: Comply or explain	Board	B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	Retained in new Code comply or explain section B 2.7
6: Comply or explain	Board/ Council of Governors	B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	Retained in new Code comply or explain section B 2.8
6: Comply or explain	Nomination Committee(s)	B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	Retained in new Code comply or explain section C 2.1
6: Comply or explain	Board/Council of Governors	B.2.2	Directors on the board of directors and governors on the council should meet the "fit and proper" persons test described in the provider licence.	Expanded in new Code section C 4.1.
6: Comply or explain	Nomination Committee(s)	B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.	Expanded in new Code section C 2.2

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Nomination Committee(s)	B.2.4	The chairperson or an independent non-executive director should chair the nominations committee(s).	Expanded in new Code section C 2.3
6: Comply or explain	Nomination Committee(s)/ Council of Governors	B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.	Expanded in new Code section C 2.4
6: Comply or explain	Nomination Committee(s)	B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	Expanded in new Code section C 2.6
6: Comply or explain	Council of Governors	B.2.7	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.	Retained in new Code section C 2.7.
6: Comply or explain	Council of Governors	B.2.8	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors.	Disclosure requirement in new Code section C 2.8.
6: Comply or explain	Nomination Committee(s)	B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s).	Not directly included in new Code
6: Comply or explain	Board	B.3.3	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.	Retained in new Code section B 2.14
6: Comply or explain	Board/Council of Governors	B.5.1	The board and the council governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Expanded in new Code section C 5.10, B 2.2 and C 5.6.
6: Comply or explain	Board	B.5.2	The board, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	Expanded in new Code section C 5.11

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Board	B.5.3	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	Expanded in new Code section C 5.12
6: Comply or explain	Board/Committees	B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Expanded in new Code section C 5.13
6: Comply or explain	Chair	B.6.3	The senior independent director should lead the performance evaluation of the chairperson.	Retained in new Code section B 2.11 and C 4.5.
6: Comply or explain	Chair	B.6.4	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	Similar requirement in new Code section C 5.4, C 5.5, C 4.5, C 4.8
6: Comply or explain	Chair/ Council of Governors	B.6.5	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Expanded in new Code section C 4.8
6: Comply or explain	Council of Governors	B.6.6	There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	Not in new Code 'comply or explain' list in Schedule A, but is included in list of information required to be made available to governors (section C 4.9)
6: Comply or explain	Board/ Remuneration Committee	B.8.1	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	Retained in new Code section C 4.12

Part of schedule A (see above)	Relating to	Code of Governance reference	Summary of requirement	Map across to new Code of Governance for NHS providers
6: Comply or explain	Board	C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary. See also ARM paragraph <b>Error! Reference source not found.</b>	New Code disclosure requirement section D 2.9 reflects existing FT ARM requirement.
6: Comply or explain	Board	C.1.3	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	Not included in new Code in the same way but this continues to be a requirement in the FT ARM requirement for performance report.
6: Comply or explain	Board	C.1.4	<p>a) The board of directors must notify NHS England and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust.</p> <p>b) The board of directors must notify NHS England and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in:</p> <ul style="list-style-type: none"> <li>• the NHS foundation trust's financial condition;</li> <li>• the performance of its business; and/or</li> <li>• the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, healthcare delivery</li> </ul>	Not in new Code

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
			performance or reputation and standing of the NHS foundation trust.	
6: Comply or explain	Board/ Audit Committee	C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	Amended in new Code section D 2.1
6: Comply or explain	Council of Governors/ Audit Committee	C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	Reflected in new Code section D 2.2 (audit committee) and appendix B 3.8 (council of governors) – the latter is not included in 'comply or explain' as it must be complied with
6: Comply or explain	Council of Governors/ Audit Committee	C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	Replaced in new Code section D 2.3
6: Comply or explain	Council of Governors	C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS England informing it of the reasons behind the decision.	Not included in updated Code
6: Comply or explain	Audit Committee	C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	New Code has expectation of board in section A 2.9.
6: Comply or explain	Remuneration Committee	D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	Expanded in new Code section E 2.1
6: Comply or explain	Remuneration Committee	D.1.2	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	Reflected in new Code section E 2.2

<b>Part of schedule A (see above)</b>	<b>Relating to</b>	<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Map across to new Code of Governance for NHS providers</b>
6: Comply or explain	Remuneration Committee	D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	Expanded in new Code section E 2.4
6: Comply or explain	Remuneration Committee	D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	Expanded in new Code section E 2.7
6: Comply or explain	Council of Governors/ Remuneration Committee	D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Section E of new Code sets expectations on remuneration
6: Comply or explain	Board	E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Similar requirement in new Code section A 2.7
6: Comply or explain	Board	E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	This requirement is not in Schedule A of the new Code but is in Appendix B paragraph 2.13.
6: Comply or explain	Board	E.2.1	The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate.	Not directly included in new Code
6: Comply or explain	Board	E.2.2	The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Not directly included in new Code; section A 2.10 covers influence of third parties.

## (2) Mapping from Code of governance for NHS providers schedule A to previous Monitor FT Code of governance

### Mandatory disclosure requirements

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section A, 2.1</p> <p>The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.</p>	<p>Did not feature in FT Code mandatory disclosure section in the same way.</p> <p>The annual report disclosure requirement is not new; already part of FT ARM requirements for performance report overview.</p>
<p>Section A, 2.3</p> <p>The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust’s vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board’s activities and any action taken, and the trust’s approach to investing in, rewarding and promoting the wellbeing of its workforce.</p>	<p>New requirement in Code.</p> <p>The NHS foundation trust may wish to incorporate this disclosure requirement into disclosures in the staff report such as those around the staff survey.</p>
<p>Section A, 2.8</p> <p>The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation’s governance processes oversee its collaboration with other organisations and any associated risk management arrangements.</p>	<p>New requirement in Code.</p> <p>There is some cross-over with existing FT ARM requirements in the performance report overview and the annual governance statement.</p>

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section B, 2.6</p> <p>The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> <li>• has been an employee of the trust within the last two years</li> <li>• has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust</li> <li>• has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme</li> <li>• has close family ties with any of the trust's advisers, directors or senior employees</li> <li>• holds cross-directorships or has significant links with other directors through involvement with other companies or bodies</li> <li>• has served on the trust board for more than six years from the date of their first appointment</li> <li>• is an appointed representative of the trust's university medical or dental school.</li> </ul> <p>Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.</p>	<p>Expanded version of FT Code B 1.1</p>
<p>Section B, 2.13</p> <p>The annual report should give the number of times the board and its committees met, and individual director attendance.</p>	<p>Unchanged from FT Code A 1.2</p>
<p>Section B, 2.17 (NHS foundation trusts only)</p> <p>For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors.</p>	<p>Largely unchanged from FT Code A 1.1 and A 5.4.</p>
<p>Section C, 2.5 (NHS foundation trusts only)</p> <p>If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors.</p>	<p>Amended from previous FT ARM requirement</p>

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 2.8 (NHS foundation trusts only)</p> <p>The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference.</p>	<p>Amended from FT Code B 2.10 and comply or explain FT Code B 2.8.</p>
<p>Section C, 4.2</p> <p>The board of directors should include in the annual report a description of each director’s skills, expertise and experience.</p>	<p>Unchanged from FT Code B 1.4</p>
<p>Section C, 4.7</p> <p>All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.</p>	<p>Amended from FT Code B 6.2</p>
<p>Section C, 4.13</p> <p>The annual report should describe the work of the nominations committee(s), including:</p> <ul style="list-style-type: none"> <li>• the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline</li> <li>• how the board has been evaluated, the nature and extent of an external evaluator’s contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition</li> <li>• the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives</li> <li>• the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust’s workforce and communities served</li> <li>• the gender balance of senior management and their direct reports.</li> </ul>	<p>Expanded from FT Code B 2.10</p>
<p>Section C, 5.15 (NHS foundation trusts only)</p> <p>Foundation trust governors should canvass the opinion of the trust’s members and the public, and for appointed governors the body they represent, on the NHS foundation trust’s forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p>	<p>Unchanged from FT Code B 5.6</p>

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section D, 2.4</p> <p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed</li> <li>• an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans</li> <li>• where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit</li> <li>• an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services.</li> </ul>	<p>From FT Code C 2.2 and C 3.9</p>
<p>Section D, 2.6</p> <p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust’s performance, business model and strategy.</p>	<p>Largely unchanged from FT Code C 1.1. This continues to be reflected in the FT ARM statement of accounting officer’s responsibilities.</p>
<p>Section D, 2.7</p> <p>The board of directors should carry out a robust assessment of the trust’s emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.</p>	<p>New requirement in Code. But is consistent with existing FT ARM requirement within performance report overview.</p>
<p>Section D, 2.8</p> <p>The board of directors should monitor the trust’s risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.</p>	<p>Internal control element updates requirement in FT Code C 2.1</p> <p>Broader requirement reflects on existing requirements for annual governance statement.</p>

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section D, 2.9</p> <p>In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.</p>	<p>New requirement in Code for disclosure (was previously comply or explain in Code) but reflects existing requirement in FT ARM for performance report overview.</p>
<p>Section E, 2.3</p> <p>Where a trust releases an executive director, eg to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings.</p>	<p>Retained from FT Code D 1.3</p>
<p>Appendix B, paragraph 2.3 (not in Schedule A)</p> <p>The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.</p>	<p>Retained from FT Code A 5.3</p>
<p>Appendix B, paragraph 2.14 (not in Schedule A)</p> <p>The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust’s website and in the annual report.</p>	<p>Retained from FT Code E 1.4</p>
<p>Appendix B, paragraph 2.15 (not in Schedule A)</p> <p>The board of directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, eg through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members’ opinions and consultations.</p>	<p>Retained from FT Code E 1.5</p>

<b>Code of Governance for NHS providers: Schedule A – disclosure requirements</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Additional requirement of FT ARM</p> <p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p>This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p>	<p>This has been retained in the FT ARM from the previous table that explained the FT Code of Governance.</p>

### 'Comply or explain' requirements listed in Schedule A

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section A, 2.2</p> <p>The board of directors should develop, embody and articulate a clear vision and values for the trust, with reference to the ICP's integrated care strategy and the trust's role within system and place-based partnerships, and provider collaboratives. This should be a formally agreed statement of the organisation's purpose and intended outcomes and the behaviours used to achieve them. It can be used as a basis for the organisation's overall strategy, planning, collaboration with system partners, and other decisions.</p>	<p>Newly added to Code. Some alignment with existing FT ARM disclosure requirements for performance report to consider local health system.</p>
<p>Section A, 2.4</p> <p>The board of directors should ensure that adequate systems and processes are maintained to measure and monitor the trust's effectiveness, efficiency and economy, the quality of its healthcare delivery, the success of its contribution to the delivery of the five-year joint plan for health services and annual capital plan agreed by the ICB and its partners, and to ensure that risk is managed effectively. The board should regularly review the trust's performance in these areas against regulatory and contractual obligations, and approved plans and objectives, including those agreed through place-based partnerships and provider collaboratives.</p>	<p>Expanded from FT Code A 1.4.</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section A, 2.5</p> <p>The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and performance. Where appropriate and particularly in high risk or complex areas, the board of directors should commission independent advice, eg from the internal audit function, to provide an adequate and reliable level of assurance.</p>	Expanded from FT Code A 1.5
<p>Section A, 2.6</p> <p>The board of directors should report on its approach to clinical governance and its plan for the improvement of clinical quality in the context of guidance set out by the Department of Health and Social Care (DHSC), NHS England and the Care Quality Commission (CQC). The board should record where in the structure of the organisation clinical governance matters are considered.</p>	Expanded from FT Code A 1.6
<p>Section A, 2.7</p> <p>The chair should regularly engage with stakeholders including patients, staff, the community and system partners, in a culturally competent way, to understand their views on governance and performance against the trust's vision. Committee chairs should engage with stakeholders on significant matters related to their areas of responsibility. The chair should ensure that the board of directors as a whole has a clear understanding of the views of the stakeholders including system partners. NHS foundation trusts must hold a members' meeting at least annually. Provisions regarding the role of the council of governors in stakeholder engagement are contained in Appendix B.</p>	Broadens out a disclosure requirement in FT Code E 1.5
<p>Section A, 2.9</p> <p>The workforce should have a means to raise concerns in confidence and – if they wish – anonymously. The board of directors should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.</p>	Updated from FT Code C 3.8
<p>Section A, 2.10</p> <p>The board of directors should take action to identify and manage conflicts of interest and ensure that the influence of third parties does not compromise or override independent judgement.</p>	New comply or explain requirement not previously explicit in FT Code
<p>Section A, 2.11</p> <p>Where directors have concerns about the operation of the board or the management of the trust that cannot be resolved, these should be recorded in the board minutes. If on resignation a non-executive director has any such concerns, they should provide a written statement to the chair, for circulation to the board.</p>	Same as FT Code section A 4.3.

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section B, 2.1</p> <p>The chair is responsible for leading on setting the agenda for the board of directors and, for foundation trusts, the council of governors, and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.2</p> <p>The chair is also responsible for ensuring that directors and, for foundation trusts, governors receive accurate, timely and clear information that enables them to perform their duties effectively. A foundation trust chair should take steps to ensure that governors have the necessary skills and knowledge to undertake their role.</p>	<p>Similar to FT Code B 5.1, expanded on role of chair on governors' skills and knowledge</p>
<p>Section B, 2.3</p> <p>The chair should promote a culture of honesty, openness, trust and debate by facilitating the effective contribution of non-executive directors in particular, and ensuring a constructive relationship between executive and non-executive directors.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.4 (NHS foundation trusts only)</p> <p>A foundation trust chair is responsible for ensuring that the board and council work together effectively.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.5</p> <p>The chair should be independent on appointment when assessed against the criteria set out in Section B, provision 2.6. The roles of chair and chief executive must not be exercised by the same individual. A chief executive should not become chair of the same trust. The board should identify a deputy or vice chair who could be the senior independent director. The chair should not sit on the audit committee. The chair of the audit committee, ideally, should not be the deputy or vice chair or senior independent director.</p>	<p>Similar to FT Code A 3.1.</p>
<p>Section B, 2.7</p> <p>At least half the board of directors, excluding the chair, should be non-executive directors whom the board considers to be independent.</p>	<p>Same as FT Code B 1.2.</p>
<p>Section B, 2.8</p> <p>No individual should hold the positions of director and governor of any NHS foundation trust at the same time.</p>	<p>Same as FT Code B 1.3</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section B, 2.9</p> <p>The value of ensuring that committee membership is refreshed and that no undue reliance is placed on particular individuals should be taken into account in deciding chairship and membership of committees. For foundation trusts, the council of governors should take into account the value of appointing a non-executive director with a clinical background to the board of directors, as well as the importance of appointing diverse non-executive directors with a range of skill sets, backgrounds and lived experience.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.10</p> <p>Only the committee chair and members are entitled to be present at nominations, audit or remuneration committee meetings, but others may attend by invitation of the particular committee.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.11</p> <p>In consultation with the council of governors, NHS foundation trust boards should appoint one of the independent non-executive directors to be the senior independent director: to provide a sounding board for the chair and serve as an intermediary for the other directors when necessary. Led by the senior independent director, the foundation trust non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary, and seek input from other key stakeholders. For NHS trusts the process is the same but the appraisal is overseen by NHS England as set out in the chair appraisal framework.</p>	<p>Expanded from FT Code A 4.1 and section B 6.3.</p>
<p>Section B, 2.12</p> <p>Non-executive directors have a prime role in appointing and removing executive directors. They should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.</p>	<p>Expanded from FT Code A 4.2</p>
<p>Section B, 2.14</p> <p>When appointing a director, the board of directors should take into account other demands on their time. Prior to appointment, the individual should disclose their significant commitments with an indication of the time involved. They should not take on additional external appointments without prior approval of the board of directors, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship of another trust or organisation of comparable size and complexity, and not the chairship of such an organisation.</p>	<p>FT Code had a different mandatory disclosure requirement in B 3.1; also reflects FT Code comply or explain section B 3.3.</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section B, 2.15</p> <p>All directors should have access to the advice of the company secretary, who is responsible for advising the board of directors on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.16</p> <p>The board of directors as a whole is responsible for ensuring the quality and safety of the healthcare services, education, training and research delivered by the trust and applying the principles and standards of clinical governance set out by DHSC, NHS England, the CQC and other relevant NHS bodies.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.17</p> <p>All members of the board of directors have joint responsibility for every board decision regardless of their individual skills or status. This does not impact on the particular responsibilities of the chief executive as the accounting officer.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.16</p> <p>All directors, executive and non-executive, have a responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy. In particular, non-executive directors should scrutinise the performance of the executive management in meeting agreed goals and objectives, receive adequate information and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information, and make sure that financial and clinical quality controls, and systems of risk management and governance, are robust and implemented.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section B, 2.17</p> <p>The board of directors should meet sufficiently regularly to discharge its duties effectively. A schedule of matters should be reserved specifically for its decisions.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 2.1 (NHS foundation trusts only)</p> <p>The nominations committee or committees of foundation trusts, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The nominations committee should give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the trust and the skills and expertise required within the board of directors to meet them. Best practice is that the selection panel for a post should include at least one external assessor from NHS England and/or a representative from the ICB, and the foundation trust should engage with NHS England to agree the approach.</p>	<p>First part aligns to FT Code B 2.1.</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 2.2 (NHS foundation trusts only)</p> <p>There may be one or two nominations committees. If there are two committees, one will be responsible for considering nominations for executive directors and the other for non-executive directors (including the chair). The nominations committee(s) should regularly review the structure, size and composition of the board of directors and recommend changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge, experience and diversity on the board of directors and, in the light of this evaluation, describe the role and capabilities required for appointment of both executive and non-executive directors, including the chair.</p>	Expanded from FT Code B 2.3.
<p>Section C, 2.3 (NHS foundation trusts only)</p> <p>The chair or an independent non-executive director should chair the nominations committee(s). At the discretion of the committee, a governor can chair the committee in the case of appointments of non-executive directors or the chair.</p>	Expanded from FT Code B 2.4
<p>Section C, 2.4 (NHS foundation trusts only)</p> <p>The governors should agree with the nominations committee a clear process for the nomination of a new chair and non-executive directors. Once suitable candidates have been identified, the nominations committee should make recommendations to the council of governors.</p>	Expanded from FT Code B 2.5
<p>Section C, 2.5 (NHS foundation trusts only)</p> <p>Open advertising and advice from NHS England's Non-Executive Talent and Appointments team should generally be used for the appointment of the chair and non-executive directors.</p>	New in updated Code
<p>Section C, 2.6 (NHS foundation trusts only)</p> <p>Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should have governors and/or independent members in the majority. If only one nominations committee exists, when nominations for non-executives, including the appointment of a chair or a deputy chair, are being discussed, governors and/or independent members should be in the majority on the committee and also on the interview panel.</p>	Expanded from FT Code B 2.6
<p>Section C, 2.7 (NHS foundation trusts only)</p> <p>When considering the appointment of non-executive directors, the council of governors should take into account the views of the board of directors and the nominations committee on the qualifications, skills and experience required for each position.</p>	Same as FT Code B 2.7

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 3.1 (NHS trusts only)</p> <p>NHS England is responsible for appointing chairs and other non-executive directors of NHS trusts. A committee consisting of the chair and non-executive directors is responsible for appointing the chief officer of the trust. A committee consisting of the chair, non-executive directors and the chief officer is responsible for appointing the other executive directors. NHS England has a key advisory role in ensuring the integrity, rigour and fairness of executive appointments at NHS trusts. The selection panel for the posts should include at least one external assessor from NHS England.</p>	n/a – NHS trust specific
<p>Section C, 4.1</p> <p>Directors on the board of directors and, for foundation trusts, governors on the council of governors should meet the ‘fit and proper’ persons test described in the provider licence. For the purpose of the licence and application criteria, ‘fit and proper’ persons are defined as those having the qualifications, competence, skills, experience and ability to properly perform the functions of a director. They must also have no issues of serious misconduct or mismanagement, no disbarment in relation to safeguarding vulnerable groups and disqualification from office, be without certain recent criminal convictions and director disqualifications, and not bankrupt (undischarged). Trusts should also have a policy for ensuring compliance with the CQC’s guidance Regulation 5: Fit and proper persons: directors.</p>	Expanded from FT Code B 2.2.
<p>Section C, 4.3</p> <p>The chair should not remain in post beyond nine years from the date of their first appointment to the board of directors and any decision to extend a term beyond six years should be subject to rigorous review. To facilitate effective succession planning and the development of a diverse board, this period of nine years can be extended for a limited time, particularly where on appointment the chair was an existing non-executive director. The need for extension should be clearly explained and should have been agreed with NHS England.</p>	New comply or explain requirement not previously explicit in FT Code
<p>Section C, 4.4 (NHS foundation trusts only)</p> <p>Elected foundation trust governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The governor names submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to make an informed decision on their election. This should include prior performance information. Best practice is that governors do not serve more than three consecutive terms to ensure that they retain the objectivity and independence required to fulfil their roles.</p>	New comply or explain requirement not previously explicit in FT Code

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 4.5</p> <p>There should be a formal and rigorous annual evaluation of the performance of the board of directors, its committees, the chair and individual directors. For NHS foundation trusts, the council of governors should take the lead on agreeing a process for the evaluation of the chair and non-executive directors. The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chair. NHS England leads the evaluation of the chair and non-executive directors of NHS trusts. NHS foundation trusts and NHS trusts should make use of NHS Leadership Competency Framework for board level leaders.</p>	<p>Expanded from FT Code B 6.4 and B 6.5</p>
<p>Section C, 4.6</p> <p>The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board of directors. Each director should engage with the process and take appropriate action where development needs are identified.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 4.8 (NHS foundation trusts only)</p> <p>Led by the chair, foundation trust councils of governors should periodically assess their collective performance and regularly communicate to members and the public how they have discharged their responsibilities, including their impact and effectiveness on:</p> <ul style="list-style-type: none"> <li>• holding the non-executive directors individually and collectively to account for the performance of the board of directors</li> <li>• communicating with their member constituencies and the public and transmitting their views to the board of directors</li> <li>• contributing to the development of the foundation trust's forward plans.</li> </ul> <p>The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice. Further information can be found in Your statutory duties: a reference guide for NHS foundation trust governors and an Addendum to Your statutory duties – A reference guide for NHS foundation trust governors.</p>	<p>Expanded from FT Code B 6.5</p>
<p>Section C, 4.11</p> <p>The board of directors should ensure it retains the necessary skills across its directors and works with the council of governors to ensure there is appropriate succession planning.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 4.12</p> <p>The remuneration committee should not agree to an executive member of the board leaving the employment of the trust except in accordance with the terms of their contract of employment, including but not limited to serving their full notice period and/or material reductions in their time commitment to the role, without the board first completing and approving a full risk assessment.</p>	<p>Same as FT Code B 8.1</p>
<p>Section C, 5.1</p> <p>All directors and, for foundation trusts, governors should receive appropriate induction on joining the board of directors or the council of governors and should regularly update and refresh their skills and knowledge. Both directors and, for foundation trusts, governors should make every effort to participate in training that is offered.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 5.2</p> <p>The chair should ensure that directors and, for foundation trusts, governors continually update their skills, knowledge and familiarity with the trust and its obligations for them to fulfil their role on the board, the council of governors and committees. The trust should provide the necessary resources for its directors and, for foundation trusts, governors to develop and update their skills, knowledge and capabilities. Where directors or, for foundation trusts, governors are involved in recruitment, they should receive appropriate training including on equality diversity and inclusion, including unconscious bias.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 5.3</p> <p>To function effectively, all directors need appropriate knowledge of the trust and access to its operations and staff. Directors and governors also need to be appropriately briefed on values and all policies and procedures adopted by the trust.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 5.4</p> <p>The chair should ensure that new directors and, for foundation trusts, governors receive a full and tailored induction on joining the board or the council of governors. As part of this, directors should seek opportunities to engage with stakeholders, including patients, clinicians and other staff, and system partners. Directors should also have access at the trust's expense to training courses and/or materials that are consistent with their individual and collective development programme.</p>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section C, 5.5</p> <p>The chair should regularly review and agree with each director their training and development needs as they relate to their role on the board.</p>	<p>Expanded from FT Code B 6.4</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 5.6 (NHS foundation trusts only)</p> <p>A foundation trust board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.</p>	Expanded from FT Code B 5.1
<p>Section C, 5.8</p> <p>The chair is responsible for ensuring that directors and governors receive accurate, timely and clear information. Management has an obligation to provide such information but directors and, for foundation trusts, governors should seek clarification or detail where necessary.</p>	Similar requirement in FT Code A 5.9 and B 5.1 but this explicit on role of chair.
<p>Section C, 5.9</p> <p>The chair's responsibilities include ensuring good information flows across the board and, for foundation trusts, across the council of governors and their committees; between directors and governors; and for all trusts, between senior management and non-executive directors; as well as facilitating appropriate induction and assisting with professional development as required.</p>	Expanded from FT Code A 5.5, 5.6, 5.7.
<p>Section C, 5.10</p> <p>The board of directors and, for foundation trusts, the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make. The board of directors and, for foundation trusts, the council of governors should agree their respective information needs with the executive directors through the chair. The information for boards should be concise, objective, accurate and timely, and complex issues should be clearly explained. The board of directors should have complete access to any information about the trust that it deems necessary to discharge its duties, as well as access to senior management and other employees.</p>	Expanded from FT Code B 5.1
<p>Section C, 5.11</p> <p>The board of directors and in particular non-executive directors may reasonably wish to challenge assurances received from the executive management. They do not need to appoint a relevant adviser for each and every subject area that comes before the board of directors, but should ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis. When complex or high-risk issues arise, the first course of action should normally be to encourage further and deeper analysis within the trust in a timely manner. On occasion, non-executives may reasonably decide that external assurance is appropriate.</p>	Expanded from FT Code B 5.2

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section C, 5.12</p> <p>The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the trust's expense, where they judge it necessary to discharge their responsibilities as directors. The decision to appoint an external adviser should be the collective decision of the majority of non-executive directors. The availability of independent external sources of advice should be made clear at the time of appointment.</p>	Expanded from FT Code B 5.3
<p>Section C, 5.13</p> <p>Committees should be provided with sufficient resources to undertake their duties. The board of directors of foundation trusts should also ensure that the council of governors is provided with sufficient resources to undertake its duties with such arrangements agreed in advance.</p>	Expanded from FT Code B 5.4
<p>Section C, 5.14</p> <p>Non-executive directors should consider whether they are receiving the necessary information in a timely manner and feel able to appropriately challenge board recommendations, in particular by making full use of their skills and experience gained both as a director of the trust and in other leadership roles. They should expect and apply similar standards of care and quality in their role as a non-executive director of a trust as they would in other similar roles.</p>	New comply or explain requirement not previously explicit in FT Code
<p>Section C, 5.16 (NHS foundation trusts only)</p> <p>Where appropriate, the board of directors should in a timely manner take account of the views of the council of governors on the forward plan, and then inform the council of governors which of their views have been incorporated in the NHS foundation trust's plans, and explain the reasons for any not being included.</p>	Developed from requirement in FT Code B 5.6
<p>Section C, 5.17</p> <p>The trust should arrange appropriate insurance to cover the risk of legal action against its directors. Assuming foundation trust governors have acted in good faith and in accordance with their duties, and proper process has been followed, the potential for liability for the council should be negligible. Governors may have the benefit of an indemnity and/or insurance from the trust. While there is no legal requirement for trusts to provide an indemnity or insurance for governors to cover their service on the council of governors, where an indemnity or insurance policy is given, this can be detailed in the trust's constitution.</p>	Expanded from FT Code A 1.10.

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section D, 2.1</p> <p>The board of directors should establish an audit committee of independent non-executive directors, with a minimum membership of three or two in the case of smaller trusts. The chair of the board of directors should not be a member and the vice chair or senior independent director should not chair the audit committee. The board of directors should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole should have competence relevant to the sector in which the trust operates.</p>	<p>Updated from FT Code C 3.1</p>
<p>Section D, 2.2</p> <p>The main roles and responsibilities of the audit committee should include:</p> <ul style="list-style-type: none"> <li>• monitoring the integrity of the financial statements of the trust and any formal announcements relating to the trust's financial performance, and reviewing significant financial reporting judgements contained in them</li> <li>• providing advice (where requested by the board of directors) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's position and performance, business model and strategy</li> <li>• reviewing the trust's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate board risk committee composed of independent non-executive directors or by the board itself</li> <li>• monitoring and reviewing the effectiveness of the trust's internal audit function or, where there is not one, considering annually whether there is a need for one and making a recommendation to the board of directors</li> <li>• reviewing and monitoring the external auditor's independence and objectivity</li> <li>• reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements</li> <li>• reporting to the board of directors on how it has discharged its responsibilities.</li> </ul>	<p>New comply or explain requirement not previously explicit in FT Code</p>
<p>Section D, 2.3</p> <p>A trust should change its external audit firm at least every 20 years. Legislation requires an NHS trust to newly appoint its external auditor at least every five years. An NHS foundation trust should re-tender its external audit at least every 10 years and in most cases more frequently than this.</p>	<p>Updated from FT Code C 3.6. Not a new requirement: reflects separate NHS England guidance on audit and assurance.</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section D, 2.5</p> <p>Legislation requires an NHS trust to have a policy on its purchase of non-audit services from its external auditor. An NHS foundation trust's audit committee should develop and implement a policy on the engagement of the external auditor to supply non-audit services.</p>	<p>Not in previous FT Code in the same way but not a new requirement: reflects separate NHS England guidance on audit and assurance.</p>
<p>Section E, 2.1</p> <p>Any performance-related elements of executive directors' remuneration should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should consider the following provisions.</p> <ul style="list-style-type: none"> <li>• Whether the directors should be eligible for annual bonuses in line with local procedures. If so, performance conditions should be relevant, stretching and designed to match the long-term interests of the public and patients.</li> <li>• Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the trust. Consideration should be given to criteria which reflect the performance of the trust against some key indicators and relative to a group of comparator trusts, and the taking of independent and expert advice where appropriate.</li> <li>• Performance criteria and any upper limits for annual bonuses and incentive schemes should be set and disclosed and must be limited to the lower of £17,500 or 10% of basic salary.</li> <li>• The remuneration committee should consider the pension consequences and associated costs to the trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement</li> </ul>	<p>Expanded from FT Code D 1.1</p>
<p>Section E, 2.2</p> <p>Levels of remuneration for the chair and other non-executive directors should reflect the Chair and non-executive director remuneration structure.</p>	<p>Same as FT Code D 1.2</p>
<p>Section E, 2.4</p> <p>The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination. The aim should be to avoid rewarding poor performance. Contracts should allow for compensation to be reduced to reflect a departing director's obligation to mitigate loss. Appropriate claw-back provisions should be considered in case of a director returning to the NHS within the period of any putative notice.</p>	<p>Expanded from FT Code D 1.4</p>

<b>Code of Governance for NHS providers: Schedule A - comply or explain</b>	<b>Link to previous FT Code of Governance / elsewhere in FT ARM</b>
<p>Section E, 2.5</p> <p>Trusts should discuss any director-level severance payment, whether contractual or non-contractual, with their NHS England regional director at the earliest opportunity.</p>	<p>New requirement</p>
<p>Section E, 2.7</p> <p>The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The board should define senior management for this purpose and this should normally include the first layer of management below board level.</p>	<p>Expanded from FT Code D 2.2</p>