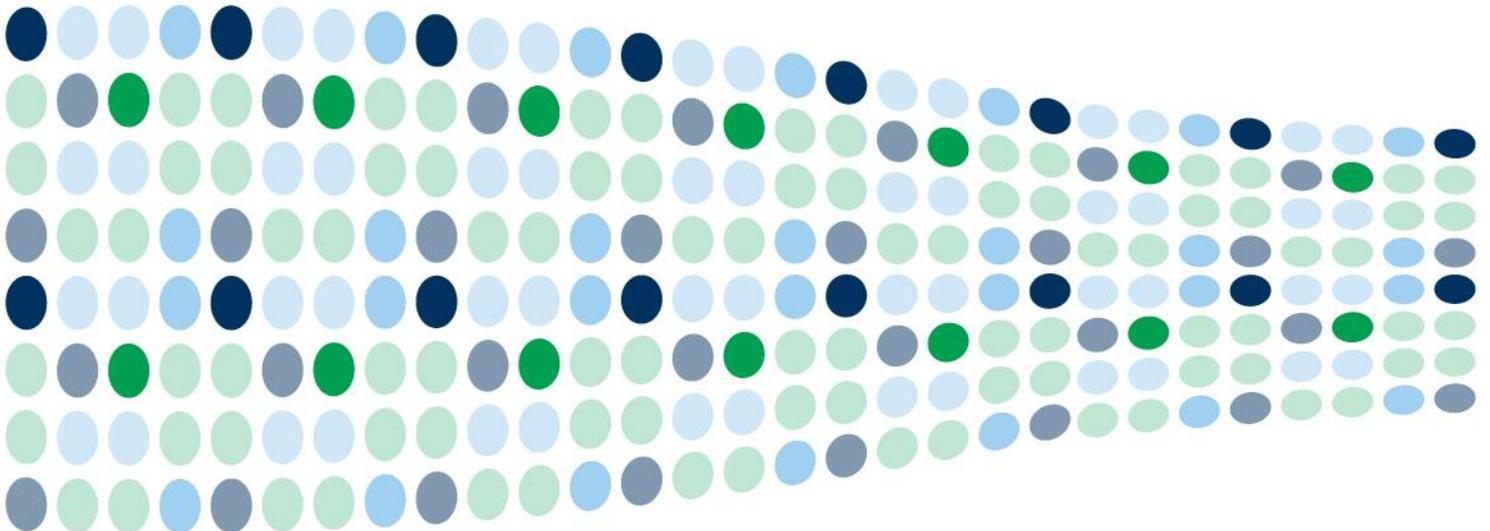




Health & Social Care
Information Centre

Corporate Governance Manual

2014 -15



Policy Title: Corporate Governance Manual 2014-15¹

Status		Approved	
Document Record ID Key			
Director Responsible for this policy		Carl Vincent – Director of Finance and Corporate Services	
Person to contact about this policy	A McGuire	Version	1.4
Author(s)	D Wilmshurst A McGuire	Version issue date	12/08/2014

Corporate Governance Manual 2014-15

¹ Please note this document contains a number of links to appendices within the document, links to external documents and embedded documents.

Document Management

Revision History

Version	Date	Summary of Changes
1.0	15/01/2014	Version approved by Board with approved Framework Agreement and Code of Business Conduct included
1.1	23/05/2014	<ol style="list-style-type: none"> 1. Policies removed and replaced by links 2. Documents embedded in the appendix 3. Updated with revised ToR for corporate meetings 4. Inclusion of the Information Assurance and Cyber Security committee (IACSC) 5. New membership lists reflecting the changes in the top level structure 6. Inclusion of an updated scheme of delegated authorities 7. Addition of information on the role of the Senior Independent Director (SID)
1.2	24/06/2014	Reviewed and amended by Internal Comms
1.3	24/06/2014	Reviewed and formatting amended by the Executive Office. Document submitted the Assurance and Risk Committee.
1.4	12/08/2014	Reviewed, minor inconsistencies corrected and formatting amended by the Executive Office and Head of Corporate Assurance

Reviewers

This document must be reviewed by the following people: [author to indicate reviewers](#)

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C Vincent - Director of Finance and Corporate Services				

Glossary of Terms

Term / Abbreviation	What it stands for

Document Control:

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1 Introduction

The Corporate Governance Manual sets out the corporate governance rules applying to the Health and Social Care Information Centre (HSCIC). These rules are in line with its responsibilities as a public body and ensure that it operates in an open, transparent and proper manner.

1.1 The Statutory Framework

The Health and Social Care Information Centre (HSCIC) was established on 1 April 2013 as an executive non-departmental public body (ENDPB) under the Health and Social Care Act 2012.

As an ENDPB, the organisation is accountable to the Secretary of State for Health for discharging its functions, duties and powers effectively, efficiently and economically.

The headquarters of the HSCIC is 1 Trevelyan Square, Boar Lane, Leeds, LS1 6AE.

1.2 Governance Framework

The establishment and constitution of the HSCIC is set out in Schedule 18 of the Health and Social Care Act 2012

The HSCIC is led by a Board which is the senior decision making structure in the organisation and which is accountable to Parliament and the Secretary of State for Health. The Board is led by the Chair and comprises non-executive and executive members.

The organisation is managed on a day to day basis by an executive team led by the Chief Executive who is the Accounting Officer and is accountable to the Secretary of State and to Parliament for the performance of all functions and for meeting statutory duties.

In operational terms, this accountability is to the Senior Departmental Sponsor in the Department of Health. The accountability arrangements are set out in the Accounting Officer memorandum sent to the Chief Executive of the HSCIC by the Department's Accounting Officer. These arrangements are also confirmed in the Framework Agreement (see [Annex C](#)) which governs the relationship between the HSCIC and the Department of Health.

Board members have corporate responsibility for ensuring that the HSCIC complies with all statutory and / or administrative requirements for the use of public funds.

Details of the conduct of Board business and the roles and responsibilities of the Chair, Board and Chief Executive are set out in the Standing Orders ([Section 2](#)) and Code of Conduct for Board members ([Section 3](#)).

The Board meets at least 6 times a year in public. The Board may also resolve to meet in private session in order to transact commercial in confidence or other confidential business.

The Executive Management Team is responsible for the HSCIC's development and performance. It is accountable to the HSCIC Board for the delivery of the HSCIC business plan and for meeting the HSCIC's strategic objectives. This is measured against the delivery of the objectives contained in the business plan and against indicators and targets set out in the Performance Pack as agreed by the Board.

1.3 The Manual

The material in this manual fulfils the dual role of protecting the HSCIC's interests and protecting staff from any possible accusation that they have not acted properly. All executive and non-executive directors and all members of staff should be aware of the existence of this document and, where necessary, be familiar with the detailed provisions.

Failure to comply with requirements set out in this manual may potentially be a disciplinary offence which could result in dismissal in cases of gross misconduct.

A Definition of Key Terms can be found at [Annex B](#).

Please note this document contains a number of links to appendices within the document, links to external documents and embedded documents.

2 Standing Orders

2.1 Board Membership and Conduct of Meetings

1. All business will be conducted in the name of the HSCIC.
2. Appointments of the Chair and non-executive Board members, as laid out in Schedule 18 of the Health and Social Care Act 2012 are made by the Secretary of State, for periods of up to four years.
3. The powers of the HSCIC established under statute are exercised by the Board, meeting in public session, except as otherwise provided for in paragraph 16.
4. Certain decisions may only be exercised by the HSCIC in formal session. These are set out in the [Scheme of Delegation](#) (Section 4) and have effect as if incorporated into these Standing Orders.
5. In accordance with Schedule 18 of the Health and Social Care Act 2012, the Board must comprise:
 - At least six non-executive members including the Chair.
 - Not more than five other executive members who are employees of the HSCIC and are appointed by the non-executive members. One of the executive members must be appointed as the Chief Executive;
 - The first appointment to the position of CEO was made by the Secretary of State.

Membership of the current Board and its terms of reference can be found at [Annex D](#).

6. The Chair and non-executive members will be appointed and hold office as follows:
 - The Chair and non-executive members are appointed by the Secretary of State
 - Subject to Schedule 18 (termination of tenure of office) of the Health and Social Care Act 2012, the term of office of the Chair and non-executive members is such period, not exceeding four years, as the Secretary of State specifies on making the appointment and;
 - Subject to Schedule 18 (disqualification for appointment), the Chair and any non-executive member will, on the termination of their office, be eligible for re-appointment.
7. The Chair and members may appoint one of the non-executive members to be vice-Chair for such period, not exceeding the remainder of their term as a member, as they may specify on appointment.
8. Any member so appointed may at any time resign from the office of vice-Chair by giving notice in writing to the Chair.
9. Where the Chair is unable to perform their duties as Chair owing to illness, absence or any other cause, references to the Chair in the schedule to these regulations will, so long as there is no Chair available to perform their duties, be taken to include references to the vice-Chair.

10. The Chair and members may appoint one of the non-executive members to be the Senior Independent Director (SID) for such period, not exceeding the remainder of their term as a member, as they may specify on appointment (Section 4.5).
11. Any member so appointed may at any time resign from the office of Senior Independent Director (SID) by giving notice in writing to the Chair.
12. The Chair or a non-executive member may resign from the office at any time during the term of office by giving notice in writing to the Secretary of State.
13. Where the Secretary of State is of the opinion that it is not in the interests of, or conducive to the good management of, the HSCIC or of the health and social care service that the Chair or a non-executive member should continue to hold office, he may terminate their tenure of office immediately by giving them notice in writing to that effect. In such circumstances, the Secretary of State may appoint a non-executive member as the interim Chair to exercise the Chair's functions.
14. The Secretary of State may remove a person from office as the Chair or other non-executive member on any of the following grounds:
 - Incapacity
 - Misbehaviour, or
 - Failure to carry out their duties as a non-executive member.
15. Where a person has been appointed to be the Chair or a non-executive member, and:
 - Becomes disqualified for appointment under schedule 18, the Secretary of State shall notify that person in writing of such disqualification; or
 - It comes to the notice of the Secretary of State that at the time of appointment the person was so disqualified; he will declare that the person in question was not duly appointed and provide notification in writing to that effect and upon receipt of any such notification, their tenure of office, if any, will be terminated.
16. If it appears to the Secretary of State that the Chair or a non-executive member has failed to comply with the requirements set out in schedule 18 he may terminate that person's tenure of office by giving notice in writing to that effect.

2.2 Meetings of the HSCIC

17. The public and representatives of the press may attend all formal meetings of the HSCIC Board but will be required to withdraw upon the Board resolving:

'that pursuant to the Public Bodies (Admission to Meetings) Act 1960 that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest' (Section 1 (2) Public Bodies (Admission to Meetings) Act 1960)'.

18. Nothing in these Standing Orders requires the Board to allow members of the public or representatives of the press to make a video or audio recording of proceedings as they take place without the prior agreement of the Board.

19. Before each meeting of the HSCIC, a notice of the meeting which specifies the principal business proposed to be transacted together with accompanying papers, will be delivered to each member, or sent by post to the member's last known address, at least five working days before the day of the meeting. The proceedings of any meetings are not invalidated by a failure to deliver such notice to any member.
20. A member desiring a matter to be included on an agenda must make their request in writing to the Chair at least seven working days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than seven days before a meeting may be included on the agenda at the discretion on the Chair.
21. The Board may determine that certain matters appear on every agenda for a meeting of the HSCIC and are addressed prior to any other business being conducted.

2.2.1 Motions

22. A member desiring to move or amend a motion must send a written notification of this at least ten working days before the meeting to the Chair, who will include it in the agenda for the meeting. This Standing Order does not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.
23. A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.
24. Notice of motion to amend or rescind any resolution (or the general substance of any resolution) that has been passed within the preceding six calendar months, must bear the signature of the member who gives it and also the signature of four other members. When any such motion has been disposed of by the HSCIC no member, other than the Chair, may propose a motion to the same effect within six months. However the Chair may do so if they consider it appropriate.
25. When a motion is under discussion or immediately prior to discussion a member may move:
 - An amendment to the motion
 - The adjournment of the discussion or the meeting
 - That the meeting proceed to the next business
 - That the question be now put
 - A motion under section 1(2) of the Public bodies (Admission to Meetings) Act 1960 resolving to exclude the public (including the press)
26. No amendment to the motion can be admitted if, in the opinion of the Chair of the meeting, the amendment negates the substance of the motion.
27. The decision of the Chair of the meeting on question of order, relevancy and regularity (including procedure on handling motions) and the Chair's interpretation of the Standing Orders is final.

2.2.2 Quorum

28. No business may be transacted at any meeting unless at least one-third of the membership (including at least two non-executives, one of whom must be the Chair or vice-Chair) is present.
29. The Chair, and at least two non-executive members, must be present at any meeting of the HSCIC which is convened for the purpose of appointing a person to act as the Chief Executive.
30. An officer in attendance for an officer member but without formal acting up status may not count towards the quorum.
31. If the Chair or a member has been disqualified from participating in the discussion on any matter, and/or from voting on any resolution by reason of the declaration of a conflict of interest, they shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position will be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

2.2.3 Voting

32. The Chair and non-executive directors have a minimum of 6 votes and the executive members have 5 votes. Executive votes are allocated as follows:
 - CEO – 1 vote
 - Director of Finance and Corporate Services – 1 vote
 - Director of Operations and Assurance Services – 1 vote
 - Director of Human Resources – 1 vote
 - Director of Information and Analytics – 1 vote
33. All questions put to the vote are, at the discretion of the Chair of the meeting, determined by oral expression, or by a show of hands. A paper ballot may also be used if a majority of the members present so request.
34. If at least one-third of the members present so request, the voting (other than by paper ballot) on any question may be recorded to show how each member present voted or abstained.
35. If a member so requests, their vote will be recorded by name.
36. Under no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
37. An officer who has been appointed formally by the Board to act up for an officer member during a period of incapacity, or temporarily to fill an officer member vacancy, is entitled to exercise the voting rights of the officer member.

38. An officer attending the Board to represent an officer member during a period of incapacity or temporary absence, without formal acting up status, may not exercise the voting rights of the officer member. An officer's status when attending a meeting will be recorded in the minutes.

2.2.4 Minutes

39. The minutes of the proceedings of a meeting will be drawn up by the Secretary to the Board (or their representative) and submitted for ratification at the following Board meeting; once ratified they will be signed by the Chair.
40. Any amendment to the minutes must be agreed and recorded in the minutes of the Board meeting at which they are submitted for agreement.
41. The minutes of Board meetings, other than the minutes of the private session containing confidential information, will be available to the public.

2.2.5 Suspension of, and amendments to, Standing Orders

42. Except where this would contravene any statutory provision or any directions made by the Secretary of State, any one or more of the provisions of the Standing Orders may be suspended at any meeting, provided that:
- At least two-thirds of the Board members are present, including one executive and two non-executive members, and that a majority of those present vote in favour of suspension
 - The variation proposed does not contravene a statutory provision or direction made by the Secretary of State
43. A decision to suspend Standing Orders will be recorded in the minutes of the meeting.
44. A separate record of matters discussed during the suspension of Standing Orders must be made and made available to the Chair and members of the Board.
45. No formal business may be transacted while Standing Orders are suspended.
46. The Assurance and Risk Committee will review every decision to suspend Standing Orders.
47. The names of the members present at a meeting will be recorded in the minutes.

2.2.6 Arrangements for the exercise of functions by delegation

48. Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the HSCIC, of any of its functions by a committee or sub-committee or by an officer of the HSCIC. In each case this will be subject to such restrictions and conditions as the Board thinks fit.
49. The powers which the Board has retained to itself may in emergency be exercised by the Chair, after having consulted at least two non-executive members. The exercise of such

powers by the Chair must be reported to the next formal meeting of the Board for ratification.

50. The Board shall agree from time to time the delegation of executive powers to be exercised by committees or sub-committees which it has formally constituted. The constitution and terms of reference of these committees and sub-committees, and their specific executive powers, must be approved by the Board.
51. Those functions of the HSCIC which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee will be exercised on behalf of the HSCIC by the Chief Executive. The Chief Executive determines which functions he will perform personally and nominates officers to undertake the remaining functions for which he will still retain accountability to the Board.
52. The Chief Executive must prepare a Scheme of Delegation for consideration and approval by the Board, subject to any amendment agreed during discussion. The Chief Executive may periodically propose amendments to the Scheme of Delegation for consideration and approval by the Board.
53. Nothing in the Scheme of Delegation impairs the discharge of the direct accountability to the Board of the Director of Finance and Corporate Services and other executive directors to provide information and advise the Board in accordance with any statutory requirements. Outside these statutory requirements the roles of the Director of Finance and Corporate Services and any other executive director are accountable to the Chief Executive.
54. The arrangements made by the Board, as set out in the Scheme of Delegation, have effect as if incorporated in these Standing Orders.

2.2.7 Committees and Sub-Committees

55. Subject to such directions as may be given by the Secretary of State, the HSCIC may, and, if so directed by the Secretary of State, will appoint committees of the HSCIC, consisting wholly or partly of members of the HSCIC or wholly of persons who are not members of the HSCIC.
56. A committee appointed under paragraph 55 may, subject to such directions as may be given by the Secretary of State or the HSCIC, appoint sub-committees consisting wholly or partly of members of the committee (whether or not they are members of the HSCIC) or wholly of persons who are not members of the HSCIC or the committee.
57. Paragraphs 55 and 56 apply to the appointment of members of committees and sub-committees appointed under this regulation as they apply to the appointment of members of the HSCIC.
58. The Standing Orders of the HSCIC, as far as they are applicable, apply with appropriate alteration to meetings of any committees established by the Board.
59. Each such committee has terms of reference and powers and is subject to such conditions, as the Board decides. Such terms of reference have effect as if incorporated into the Standing Orders.

60. Where committees are authorised to establish sub-committees they may not delegate their executive powers to the sub-committee unless expressly authorised by the Board.
61. The Board approves appointments to each committee, which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, are appointed to a committee, the terms of such appointment will be within the powers of the Board as defined by the Secretary of State. The Board will define the powers of such appointments and shall agree the terms of their remuneration and/or reimbursement for loss of earnings and/or expenses.
62. The Chair of the Assurance and Risk Committee will be appointed by the Chair of the Board and will be a non-executive director; the Chair of the Board will not chair the committee.
63. The Chair of the Information Assurance and Cyber Security Committee will be appointed by the Chair of the Board and will be a non-executive director; the Chair of the Board will not chair the committee.
64. The Chair of the Board will chair the Remuneration Committee.
65. A member of a committee must not disclose a matter dealt with by, or brought before, the committee without its permission until the committee has reported to the Board or otherwise has concluded on that matter except on those issues covered by the Public Interest Disclosures Act 1998.
66. A Director of the HSCIC or a member of a committee must not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee resolves that it is confidential.
67. Further details of powers delegated to sub-committees can be found in the Scheme of Delegation (Section 4).

2.3 Personal Liability of Board Members

68. Although there are circumstances when legal proceedings initiated by a third party could be brought against the Board, in exceptional cases proceedings (civil or, in certain cases, criminal) could also be brought against the Chair or individual Board members.
69. The Government has indicated that where individual Board members have acted honestly and in good faith they will not have to meet any personal civil liability which is incurred in the execution or purported execution of their Board member functions, save where the person has been shown to have acted recklessly. The HSCIC will, within its legal powers, issue to Board members a suitable indemnity consistent with this paragraph and Board members who need further advice on this can consult the HSCIC's legal advisers.

3 Code of Conduct for Board members

70. The Code of Business Conduct sets out the responsibilities and conduct expected from all members of staff, including Board members and any independent members who sit on Board committees and sub-committees.

3.1 Responsibilities of Individual Board Members

71. Individual Members should note their wider responsibilities to the general public and must follow the principles of public life and service listed in [Annex A](#). In addition, in carrying out their duties Board members must act in good faith and in the best interests of the HSCIC.

3.2 Board Declarations of Interest and Register of Interests

72. The Conflicts of Interest Policy requires that all Board members must declare interests which are relevant and material to the HSCIC. Any Board member appointed must do so on appointment.
73. It is the personal responsibility of all Board members to declare any personal or business interests which may conflict with their responsibilities. [See the Conflict of Interest Policy for further details].
74. If a Board member has any doubt about the relevance of an interest, this should be discussed with the Chair or the Secretary to the Board.
75. At the time Board members' interests are declared, they will be recorded in the Board minutes. Any changes in interests will be declared at the next Board meeting following the change occurring.
76. Board members' directorships of companies likely or possibly seeking to do business with the health and care sector will be published in the HSCIC's annual report. The information should be kept up to date for inclusion in succeeding annual reports.
77. During the course of a Board meeting, if a conflict of interest is established, the Board member concerned should declare their interest, and at the Chair's discretion withdraw from the meeting and play no further part in the relevant discussion or decision. The declaration of interest shall be recorded in the minutes of the meeting.
78. The Secretary to the Board will maintain a register of the Interests declared by Board members.

3.3 Media and Public Speaking Engagements

79. Board members must ensure that they inform the Chair of the Board of any engagements to speak to the media, or in a public forum where there is a likelihood of media coverage, on any subject related to the work of the HSCIC. They must always make explicit those occasions when they are speaking as an official representative of the HSCIC and when they are expressing their own personal views.

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80. The Chair of the Board is the official spokesperson for the HSCIC. Board members must not commit to media interviews solely as representatives of the HSCIC without first consulting and gaining the approval of the Chair.

3.4 Standards of Business and Personal Conduct

81. The following provisions should be read in conjunction with the Code of Business Conduct
82. Canvassing of Board members of the HSCIC, or of members of any committee directly or indirectly, for any appointment under the HSCIC will disqualify the candidate from such appointment. The contents of this paragraph must be included in application forms or otherwise brought to the attention of candidates.
83. A Board member must not solicit for any person any appointment under the HSCIC or recommend any person for such appointment: but this paragraph does not preclude a Board member from giving written testimonial of a candidate's ability, experience or character for submission to the HSCIC.
84. Informal discussions outside appointment panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
85. Candidates for any staff appointment under the HSCIC must, when making an application, disclose in writing whether they are related to, or have a relationship with, any Board member or the holder of any office under the HSCIC. Failure to disclose such a relationship will disqualify a candidate and, if appointed, render them liable to instant dismissal.
86. The Chair and every Board member and officer member of the HSCIC must disclose in writing to the HSCIC any relationship between themselves and a candidate of whose candidature that member or officer is aware. It is the duty of the Chief Executive to report to the Board any such disclosure made.
87. On appointment, Board members (and prior to acceptance of an appointment in the case of officer members) must disclose to the HSCIC whether they are related to any other member or holder of any office under the HSCIC.
88. Board members must adhere to the HSCIC's Hospitality Policy for staff in respect of the offer or acceptance or rejection of any gifts or hospitality and notify the Secretary to the Board in writing of the offer or acceptance or rejection of gifts in accordance with the Policy.
89. The HSCIC Secretary to the Board will ensure registers are established to record formally declarations of interests in contracts, employment or relationships, gifts and hospitality by Directors. The registers will be available for inspection by any Board member.
90. Board members are required to comply with the HSCIC's Confidentiality Policy.
91. The [Conflict of Interest](#), [Hospitality](#) and [Confidentiality](#) Policies, including the declaration forms, can be found by clicking on the link.

3.5 Tendering and Contract Procedure

92. The procedure for making all contracts by or on behalf of the HSCIC shall comply with these Standing Orders.
93. Directives by the Council of the European Union promulgated by the Department of Health prescribing procedures for awarding all forms of contracts have effect as if incorporated into these Standing Orders.
94. The HSCIC shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health) in accordance with the HSCIC's own tendering and procurement guidelines.
95. Formal tendering procedures may be waived by officers to whom powers have been delegated by the Chief Executive without reference to the Chief Executive where:
 - The goods or services can be supplied under special arrangements negotiated by the Department of Health, in which event the said special arrangements must be complied with
 - The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not justification for single tender
 - Specialist expertise is required and is available from only one source
 - The task is essential to complete a project, and arises as a consequence of a recently completed assignment and engaging different suppliers for the new task would be inappropriate
 - There is clear benefit to be gained from maintaining continuity with an earlier contract. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.
96. The limited application of the single tender rules outside of a competitively appointed framework contract should not be used to avoid competition, for administrative convenience or to award further work to a supplier originally appointed through a competitive procedure. Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented, and if above £100k should be reported to the Board in a formal meeting for approval prior to action being taken.
97. The HSCIC shall ensure that proper compliant procurement processes are adhered to. Where, in the opinion of the Budget Holder, it is desirable to use a non-compliant procurement process, the reason shall be recorded in writing to the Director of Finance and Corporate Services who will adjudicate.
98. Quotations are required where formal tendering procedures are waived under paragraph 95 and where the intended expenditure or income exceeds, or is reasonably expected to exceed the limits as set out in the HSCIC procurement guidelines.
99. Quotations should be in writing unless the Chief Executive or the Director of Finance and Corporate Services determine that it is impractical to do so, in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as

soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

100. All quotations should be treated as confidential and should be retained for inspection.

101. The Chief Executive or their nominated officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest price then this fact and the reasons why the lowest quotation was not chosen should be recorded as a permanent record.

102. Non-competitive quotations in writing may be obtained for the following purposes:

- The supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or their nominated officer, possible or desirable to obtain competitive quotations;
- The goods/services are required urgently.

103. Where tendering or competitive quotation is not required the Chief Executive shall ensure that the terms outlined in the Standing Financial Instructions (SFIs) and the HSCIC procurement guidelines are fully met.

104. The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house resource. The HSCIC may also determine from time to time that in-house services should be market tested by competitive tendering.

105. When the HSCIC proposes, or is required, to use finance provided by the private sector:

- The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector;
- Where the sum exceeds limits delegated by the Department of Health, a business case must be referred to the Department of Health for approval or treated as per current guidelines;
- The proposal must be specially agreed by the Board;
- The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

106. The HSCIC may only enter into contracts within the statutory powers delegated to it by the Secretary of State and will comply with:

- These Standing Orders
- The HSCIC's Standing Financial Instructions
- EU Directives and other statutory provisions
- [The HSCIC Procurement Guidelines](#)
- The NHS Standard Contract Conditions as are applicable.

107. Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

108. In all contracts the HSCIC shall endeavour to obtain best value for money. The Chief Executive shall nominate an officer (usually the Budget Holder) who shall oversee and manage each contract on behalf of the HSCIC.

Disposals

109. Competitive tendering or quotation procedures shall not apply to the disposal of:

- Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction, as determined (or pre-determined in a reserve) by the Chief Executive or their nominated Officer;
- Obsolete or condemned articles and stores, which may be disposed of in accordance with the policy of the HSCIC;
- Items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed annually;
- Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract, and
- Land or buildings concerning which Department of Health guidance has been issued but subject to compliance with such guidance.

Signature and Sealing of Documents

110. Where the signature of any document will be a necessary step in legal proceedings involving the HSCIC it shall be signed by the Chief Executive or in their absence, the Director of Finance and Corporate Services, unless any enactment otherwise requires or authorises a variation, or the Board has given the necessary authority to some other person for the purpose of such proceedings.

111. The Chief Executive or nominated officers, will be authorised by resolution of the Board, to sign on behalf of the HSCIC any agreement or other document not requested to be executed as a deed, the subject matter of which has been approved by the Board, committee or sub-committee thereof, to which the Board has delegated their powers on its behalf.

112. The Director of Finance and Corporate Services must sign all finance and operating lease agreements for the supply of goods and/or services by the HSCIC which it is proposed that the HSCIC enters into, irrespective of their financial value.

113. The common seal of the HSCIC will be kept by the Chief Executive or their nominated manager in a secure place.

114. Where it is necessary that a document is sealed, the seal will be affixed in the presence of two senior managers duly authorised by the Chief Executive, one of which will not be from the originating department, and will be attested by them.

115. The Chief Executive will keep a register in which they, or another manager of the HSCIC they authorise, will enter a record of the sealing of every document.

116. Where any document is a necessary step in legal proceedings on behalf of the HSCIC, it will, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any executive director.

3.6 Miscellaneous

117. It is the duty of the Chief Executive to ensure that existing members and officers and all new appointees are notified of, and understand, their responsibilities set out within the Corporate Governance Manual, and specifically the Standing Orders, SFIs and Code of Conduct. Updated copies of these documents will be issued to staff designated by the Chief Executive. New designated officers shall be informed in writing and shall receive copies where appropriate of the Standing Orders.
118. The SFIs and the Scheme of Delegation have effect as if incorporated into Standing Orders.
119. Standing Orders are reviewed annually by the HSCIC Board, on the advice of the Assurance and Risk Committee. The requirement for review extends to all documents having effect as if incorporated in Standing Orders.
120. The annual review of these documents will also reflect any updates to any financial directions issued since the last annual review.

4 Scheme of Delegation

4.1 Introduction

121. The Scheme of Delegation sets out those matters on which decisions are reserved to the Board and those which are delegated to budget holders, other directors or employees.
122. The fundamental objective of the Scheme of Delegation is to ensure that the work of the HSCIC is managed efficiently within the policies laid down by the HSCIC. It is therefore necessary for the Accounting Officer to delegate to others certain powers, in order to incur expenditure within approved budgets, to appoint staff within financial establishments and resource ceilings, and for sundry other matters as may be decided by the Board.
123. The Chief Executive remains accountable for all the functions of the organisation - even those delegated to other directors or employees. The Chief Executive retains an over-riding right to take any decision or to call for any information in respect of any decision taken by an individual under this delegated authority.
124. The arrangements outlined herein are to be read in conjunction with, and subject to, the Standing Orders and SFIs adopted by the HSCIC and Government Accounting rules published by HM Treasury. For the avoidance of doubt, Government Accounting rules will always take precedence over the Scheme of Delegation.

4.2 Role of the Chair

125. The responsibilities of the Chair are to:

- Ensure that the HSCIC's affairs are conducted with probity, and that the Board's policies and actions support the HSCIC in the efficient discharge of its statutory functions and duties.
- Set, by example, the standards of integrity and ethical leadership expected for the organisation.
- Chair the Board and its meetings; plan the agenda and determine the quality, quantity and timeliness of information from management; develop the organisation's priorities and create an environment for constructive debate on key issues.
- Ensure effective corporate governance arrangements are in place and processes agreed in order to discharge the HSCIC's accountability requirements to the Department of Health and Parliament.
- Conduct annual evaluation, objective setting and performance appraisal of the Chief Executive and objective setting and performance appraisal of non-executive directors.

4.3 Role of the Chief Executive

126. All powers of the HSCIC, which have not been retained as reserved by the HSCIC or delegated to an executive committee or sub-committee, will be exercised on behalf of the HSCIC by the Chief Executive. Responsibility for day-to-day management of the HSCIC is delegated to the Chief Executive, within a framework of strategic control described within this Scheme of Delegation.

127. These arrangements are based on the principle that the Chief Executive, and at the Chief Executive's discretion other designated individuals, be given, subject to certain constraints, the authority to discharge those responsibilities which the HSCIC has delegated. The arrangements also reflect the responsibilities of the Chief Executive in the role as the Accounting Officer for the HSCIC.

128. As Accounting Officer, the Chief Executive is accountable to the Principal Accounting Officer of the Department of Health for the funds entrusted to the HSCIC. The Chief Executive also has a direct line of accountability to Parliament

129. The identification of responsible officers and managers throughout this document does not, unless stated, limit their discretion to allocate the task to subordinates. The individual held accountable for performance will, however, remain as denoted in the column headed "responsible individual".

130. In the absence of an individual to whom powers have been delegated, those powers shall be exercised by that individual's superior unless:

- Alternative arrangements have been approved by the HSCIC;
- The responsible individual has formally delegated authority.

131. If the Chief Executive is absent for any length of time, delegated powers may be exercised by an Executive Director nominated by the Chief Executive, subject to the Chair's approval.

132. Powers are delegated to individuals on the understanding that they would not exercise delegated powers in a matter which, in their judgement, was likely to be a cause for public concern.

4.4 Role of the Board

133. The powers retained by and the responsibilities of the Board include:

- Agreeing the vision and values, culture and strategy of the HSCIC within the policy and resources framework agreed with the DH sponsor
- Agreeing appropriate governance and internal assurance controls
- Approving business strategy, business plans, key financial and performance targets and the annual accounts
- Ensuring sound financial management and good value for money
- Ensuring controls are in place to manage financial and performance risks, including ensuring that the HSCIC has the capability to deliver its strategic objectives
- Using information appropriately to drive improvements
- Supporting the Executive Management Team and holding it to account
- Ensuring the Board is able to account to Parliament and the public for how it discharges its functions
- Ensuring that the HSCIC complies with any duties imposed on public bodies by statute, including without limitation obligations under health and safety legislation, the Human Rights Act 1998, the Disability Discrimination Act 2005, the Race Relations (Amendment) Act 2000, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Equality Act 2010
- Ensuring that the HSCIC has specific responsibility for sustainable development and operates within the framework of the Department of Health's environmental policies.
- Approving recommendations of Board committees
- Approving income and expenditure as defined in the HSCIC Levels of Delegated Authority document

4.4.1 Accountability for Public Funds

134. Board members have a duty to ensure the safeguarding of public funds - which for this purpose must be taken to include all forms of receipts from fees, charges and other sources - and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the HSCIC at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance in Managing Public Money.

135. Board members are responsible for ensuring that the HSCIC does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. They are normally advised on these matters by the Chief Executive and the HSCIC's legal advisers.

4.4.2 Annual Report and Accounts

136. As part of its responsibilities for the stewardship of public funds, the Board must ensure that the HSCIC includes a full statement of the use of its resources in its Annual Report and Accounts. Such accounts must be prepared in accordance with the Accounts Direction issued by the responsible Minister and such other guidance as may be issued, from time to time, by the Department of Health and the Treasury, including *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*.
137. Subject to any existing statutory requirements, the HSCIC must produce an Annual Report and Accounts as a single document.
138. The Annual Report and Accounts must provide a full description of HSCIC's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current Board members and senior staff; and provide details of remuneration of Board members and senior staff in accordance with Treasury guidance. The Annual Report must contain information on access to the Registers of Interests as set out in the Standing Orders.

4.4.3 Failure to Comply

139. Failure to observe these requirements set out in the Code of Conduct for Board members would be a breach of the Board Standing Orders and could in the event of allegations of fraud and/or corruption, leave the Board member involved open to criminal proceedings under the Prevention of Corruption Acts, as well as other civil and criminal penalties.
140. Any questions about the Code of Conduct for Board members or the Board Standing Orders should be directed to the Secretary to the Board in the first instance.
141. This Code will be reviewed periodically by the Board.

4.5 Role of the Senior Independent Director (SID)

142. The SID is a non-executive director appointed by the Chair and members of the Board and may be, but does not have to be, the vice-Chair of the Board. The vice-Chair is eligible, except while acting as Chair when the latter position is vacant. In addition to the duties described here the SID has the same duties as the other non-executive directors.
143. The responsibilities of the Senior Independent Director are to:
- Support the Chair in leading the Board and act as a sounding board and source of advice for the Chair.
 - Be available where there are concerns that contact through the usual channels of Chair, Chief Executive, Finance Director and Secretary to the Board has failed to resolve an issue or where it would be inappropriate to use such channels.
 - Meet with the other members of the Board as and when deemed appropriate and act as an alternative point of contact for Executive Directors, if required, in addition to the normal channels of the Chair and Chief Executive.
 - Hold a meeting with the other non-executive directors in the absence of the Chair at least annually as part of the appraisal process.

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- Act on the results of any performance evaluation of the Chair.
 - There may be other circumstances where such meetings are appropriate. Examples might include informing the re-appointment process for the Chair, where there are expressions of concern regarding the Chair or where the Board is experiencing a period of stress.
 - Assist in resolving issues of concern in circumstances where the Board is undergoing a period of stress.
 - Intervene where there is a disagreement or dispute between the Chair and the Chief Executive and where deemed appropriate, to identify issues that have caused the rift and try to mediate and build a consensus.
 - Provide a link to stakeholders where the relationship between the Chair and Chief Executive is particularly close, and they do not communicate fully with stakeholders.
 - Work with the Chair, and other Directors to resolve significant issues in the circumstances outlined above.

144. The Board should have a clear understanding of when the SID might intervene.

145. Other duties can be added to the role if required provided they are in keeping with the principle of independence and review.

146. The SID will undertake that they will have sufficient time to meet the rigours of the role and the additional responsibilities. Their other significant commitments will be disclosed before appointment, with a broad indication of the time involved.

4.6 Delegation to Board Committees

4.6.1 Assurance and Risk Committee

147. In accordance with the Standing Orders, the Board shall formally establish an Assurance and Risk Committee, with clearly defined terms of reference. The Assurance and Risk Committee shall be responsible to the Board for ensuring that there are arrangements in place to measure, evaluate and report on the effectiveness of internal control and efficient use of resources.
148. The Terms of Reference of this committee are set out in [Annex E](#). These should be reviewed on an annual basis.
149. The Assurance and Risk Committee shall report annually to the Board on the extent of audit cover achieved, providing a summary of audit activity during the report period, and detailing the degree of achievement of the approved plan.
150. Where the Assurance and Risk Committee feels there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wishes to raise, the Chair of the Assurance and Risk Committee shall raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health.
151. The Chief Executive shall ensure that the HSCIC has a programme of risk management, which will be approved and monitored by the Board. Such responsibility shall also be enshrined in the Assurance and Risk Committee.
152. The programme of risk management shall incorporate all elements of risk to the HSCIC, not just financial, and should provide adequate assurance on the overall risk profile of the HSCIC. The programme should include:
- A process for identifying and quantifying risks and potential liabilities
 - Engendering among all levels of staff a positive attitude towards the control of risk and establishing a culture to embed risk management at all levels of the organisation
 - Management processes to ensure all significant risks and potential liabilities are regularly reviewed and addressed including effective systems of internal control and decisions on the acceptable level of retained risk
 - Contingency plans to offset the impact of adverse events
 - Audit arrangements including internal audit and a health and safety review
 - Arrangements to review the risk management programme.
153. The Assurance and Risk Committee will review the adequacy of and make recommendations to the Board as appropriate on:
- The operational effectiveness of policies and procedures
 - The policies and procedures for all work related to fraud, corruption and whistleblowing, including the appointment of a Local Counter Fraud Specialist and to enable the Local Counter Fraud Specialist to attend Assurance and Risk Committee meetings when required.

154. The Assurance and Risk Committee will ensure that there is an effective internal audit function established by management that meets mandatory internal audit standards and provides appropriate independent assurance to the Chief Executive and Board.
155. The Assurance and Risk Committee will review the work and findings of the External Auditor and take account of the implications and management responses of their work.
156. The existence, integration and evaluation of the above elements will provide a basis to make a statement on the effectiveness of internal control. The statement of the effectiveness of internal control covers all controls within the HSCIC, not just financial controls.
157. The Assurance and Risk Committee will review the Annual Financial Statements and make recommendations to the Board focusing particularly on:
- The wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference to the Committee
 - Changes in, and compliance with, accounting policies and practices
 - Major judgemental areas
 - Significant adjustments resulting from audit.
158. The effectiveness of the Assurance and Risk Committee should be formally reviewed on an annual basis, in line with best practice procedures.

4.6.2 Information Assurance and Cyber Security Committee

159. In accordance with Standing Orders, the Board shall formally establish an Information Assurance and Cyber Security Committee, with clearly defined terms of reference. The Information Assurance and Cyber Security Committee shall be responsible to the Board for ensuring that there are arrangements in place to measure, evaluate and report on the effectiveness of internal control and efficient use of resources.
160. The Terms of Reference of this committee are set out in [Annex F](#). These should be reviewed on an annual basis.
161. The Information Assurance and Cyber Security Committee shall report annually to the Board, providing a summary of activity during the reporting period, and detailing the degree of achievement of all approved plans.
162. The Information Assurance and Cyber Security Committee is authorised by the Board:
- To investigate any activity within the terms of reference. It is authorised to seek information that it requires from any employee and all employees are directed to cooperate with any request made by the Information Assurance and Cyber Security Committee.
 - To obtain outside legal or independent professional advice, at the HSCIC's expense, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
 - To ensure that there is an effective Information Assurance function that meets recognised industry and Government standards and provides appropriate independent assurance to the Chief Executive and Board.

- To review the work and findings of the Cyber Security Programme and take account of the implications and management responses to their work.
- To review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

163. The effectiveness of the Information Assurance and Cyber Security Committee should be formally reviewed on an annual basis, in line with best practice procedures.

4.6.3 Remuneration Committee

164. In accordance with the Standing Orders, the Board shall formally establish a Remuneration Committee, with clearly defined terms of reference. The Remuneration Committee is chaired by the Chair of the Board, supported by the Director of Human Resources.

165. The Board has delegated full responsibility to the Remuneration Committee to:

- Make recommendations to the Department of Health on the level of the remuneration packages of the Chief Executive and other executive Directors within the provisions of the Pay Framework for Very Senior Managers (VSMs) or successor arrangements. All posts with salaries above £100k must be approved by the Department.
- Approve the level of any annual performance related pay awards to HSCIC staff on ex-Civil Service terms and conditions
- Approve the annual performance objectives and targets of executive Directors
- Monitor and evaluate the performance of VSMs and make recommendations to the Department of Health on any proposed annual performance pay awards, within the total of VSM pay bill which may be used for performance related pay (as set annually by the Department of Health, taking account of the recommendations of the Senior Salaries Review Body)
- Ensure that pay arrangements are appropriate in terms of Equal Pay requirements.
- Consider and approve redundancy payments

166. Terms of reference for the Remuneration Committee are attached at [Annex G](#).

167. The effectiveness of Remuneration Committee should be formally reviewed on an annual basis, in line with best practice procedures.

4.7 Delegation of powers to named posts

168. The delegation of powers and responsibilities to named posts is shown in the following table. These need to be read in conjunction with the Standing Orders and SFIs.

Powers Delegated	Responsible Individual or Group
Governance	
Final authority on interpretation of Standing Orders	Chair
Arrangements for Board meetings	Chair / Secretary to the Board
Chair all Board meetings and associated responsibilities	Chair
Emergency powers	Chair
Arrangement for Board sub-committee meetings	Non-executive chairing sub-committee / Secretary to the Board
To adopt an organisation structure	Chief Executive
Receive and respond to official reports from statutory and regulatory bodies	Chief Executive
To review DH guidance and consider responses to it	Chief Executive
Ratification of urgent decisions taken by the Chair, subject to discussion with non-executives as appropriate	Board
Undertaking of powers conferred on the Chief Executive Officer in their absence	Executive Director nominated by Chief Executive
Compliance with Department of Health instructions	Chief Executive
Preparation of the Annual Report	Chief Executive
Signing of the Annual Accounts	Chief Executive
To receive the annual Management Letter from External Audit	Chief Executive
Signing of all documents under seal and swearing of affidavits	Chief Executive
Holding/maintaining Register(s) of Interests	Secretary to the Board
Taking and keeping of Board and sub-committee minutes	Secretary to the Board
Maintaining the Hospitality Register	Secretary to the Board
Finance and Commercial	
Waiving of formal competitive tendering	Chief Executive
Determination that quotations need not be in writing	Chief Executive
Nominate officers to join a group to evaluate competitive tenders	Chief Executive
Opening of tenders	A Director of the Board plus a senior manager
Receipt and custody of tenders	Director of Finance and Corporate Services
Waiving of formal compulsory tendering under special conditions (waivers should be reported to the Board in accordance with Standing Orders/SFIs)	Director of Finance and Corporate Services
Declaration that a re-tendering exercise must take place	Director of Finance and Corporate Services
Evaluation of quotations	Director of Finance and Corporate Services
Approve public private finance (PPF) deals	Director of Finance and Corporate Services
Approve and sign all documents necessary in legal proceedings	Chief Executive
Waiving of Standing Financial Instructions	Chief Executive

Powers Delegated	Responsible Individual or Group
Final interpretation of Standing Financial Instructions	Assurance and Risk Committee
Authorisation of losses and special payments and reporting to DH / Board as appropriate	Director of Finance and Corporate Services
Provision of performance monitoring information to the DH	Director of Finance and Corporate Services
Overall responsibility for Resource Cash Limit control	Director of Finance and Corporate Services
Maintenance of a Capital Asset Register	Director of Finance and Corporate Services
Production of monthly year-end financial income and expenditure outturn forecasts	Director of Finance and Corporate Services
Provide access to ALL records, financial and otherwise, to internal and external audit and other authorised parties	Director of Finance and Corporate Services
Writing off the book value of assets	Director of Finance and Corporate Services
Management of the HSCIC's banking arrangements	Director of Finance and Corporate Services
Authorise the write off of bad debts	Director of Finance and Corporate Services
Negotiation of service level agreement and contracts	Director of Finance and Corporate Services
Ensuring that sufficient cash is drawn to ensure business continuity	Director of Finance and Corporate Services
Delegating budget to budget holders	Director of Finance and Corporate Services
Incurring expenditure within the areas of budget responsibility	Budget holder
Human Resources	
Disciplining Chief Executive and non-executive Directors	Chair
Disciplining Executive Directors	Chief Executive
Appointment of all staff	Director of Human Resources
Issuing of contracts of employment	Director of Human Resources
Re-grading of employees	Director of Human Resources
Dismissal of an employee	Board Executive Director
Reporting HR staff numbers, pay awards and any ex-gratia payments to the Remuneration Committee and/or Board as appropriate	Director of Human Resources
Miscellaneous	
Approval of arrangements for dealing with complaints	Chief Executive
Ensure value for money in service delivery	Chief Executive

5 Standing Financial Instructions (SFIs)

5.1 General

169. These SFIs are issued in accordance with the Financial Directions issued by the Secretary of State under the National Health Service Act 1977, the National Health Service and Community Care Act 1990 and amended by the Health Authorities Act 1995.
170. Within the SFIs it is acknowledged that the Chief Executive and the Director of Finance and Corporate Services will have responsibility for ensuring that the HSCIC performs its functions within the financial resources made available to it directly and through the contractual framework introduced by section 4 of the NHS and Community Care Act 1990. The Chief Executive has overall executive responsibility for the HSCIC's activities and is ultimately responsible as Accounting Officer for ensuring that the HSCIC stays within its available resources.
171. The SFIs may only be changed as directed by the Standing Orders. This includes an annual review which will incorporate all updates to any financial directions issued since the last annual review.
172. The Chief Executive, as Accounting Officer, shall exercise financial supervision and control by:
- Requiring the submission and approval of revenue budgets within the projected income, and of capital budgets within the approved allocation
 - Defining and approving essential features of financial arrangements in respect of important procedures and financial systems, including the need to obtain value for money and
 - Defining specific responsibilities placed on budget holders.
173. Wherever the title Chief Executive, Director of Finance and Corporate Services, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to represent them.
174. Wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the HSCIC when acting on behalf of the HSCIC.

5.2 Responsibilities and Delegation

175. The Board exercises financial supervision and control by:
- Formulating the financial strategy
 - Requiring the submission and approval of budgets within approved allocations/overall income
 - Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money)
 - Defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation and

- In-year monitoring of the HSCIC's income and expenditure against approved budgets.
176. The Board is responsible for ensuring that its obligation to perform its functions within the available financial resources and that its financial targets are met. The Chief Executive is responsible as Accounting Officer as set out and defined by HM Treasury.
177. The Chief Executive will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the HSCIC.
178. The Chief Executive has overall responsibility for the HSCIC's system of internal control.
179. The Chief Executive will, as far as possible, delegate detailed responsibilities, but will remain accountable for financial control.
180. It is a duty of the Chief Executive to ensure that existing directors, employees and all new appointees, are notified of and understand their responsibilities within these instructions.
181. The Director of Finance and Corporate Services is responsible, on behalf of the Chief Executive, for:
- Implementing the HSCIC 's financial policies and for co-ordinating any corrective action necessary to further these policies
 - Maintaining an effective system of internal financial control, including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions
 - Ensuring that sufficient records are maintained to show and explain the HSCIC's transactions, in order to disclose, with reasonable accuracy, the financial position of the HSCIC at any time; and, without prejudice to any other functions of the HSCIC and employees of the HSCIC
 - The provision of financial advice to the HSCIC and its directors and employees
 - The design, implementation and supervision of systems of internal financial control and
 - The preparation and maintenance of such accounts, certificates, estimates, records and reports as the HSCIC may require for the purpose of carrying out its statutory duties.
182. All directors and employees of the HSCIC are severally and collectively responsible for:
- The security of the property of the HSCIC
 - Avoiding loss
 - Exercising economy and efficiency in the use of resources
 - Conforming to the requirements of Standing Orders, Standing Financial Instructions, and the Scheme of Delegation.
183. Any contractor or employee of a contractor who is empowered by the HSCIC to commit the HSCIC to expenditure, or who is authorised to obtain income, shall be covered by these instructions.

5.3 Financial Systems

184. The HSCIC's principal financial ledgers and systems are managed by NHS Shared Business Services (SBS). The payroll is processed through the NHS wide Electronic Staff Record (ESR) system and managed by SBS.
185. The Director of Finance and Corporate Services shall be responsible for the accuracy and security of the computerised financial data of the HSCIC.
186. The Director of Finance and Corporate Services shall devise and implement any necessary procedures to ensure adequate reasonable protection of the HSCIC's financial data, software and systems from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard to the Data Protection Act 1998 and other HSCIC information governance policies.
187. The Director of Finance and Corporate Services shall ensure that:
- Adequate, reasonable controls exist over financial data entry processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system
 - An adequate management audit trail exists through all computerised systems
 - New systems and amendments to current systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by an external service provider (including SBS), assurances of adequacy shall be obtained from them prior to implementation
 - Contracts for computer services for financial applications with an external service provider shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract shall also ensure rights of access for audit purposes
 - Adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent over transmission networks including the appropriate use of encryption software and passwords, especially over sensitive personal record data
 - Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management audit trail exists
 - That all finance staff understand and follow the systems, processes and controls agreed with the external service providers except where variations have been agreed
 - The annual audit report of the service provider is obtained and reviewed, with any identified weaknesses or issues highlighted discussed with the service provider
 - On-going performance of the service provider is reviewed on a regular basis through meetings with the account manager
188. The Director of Finance and Corporate Services shall ensure that all financial data and files held on the HSCIC's internal systems have adequate controls over security and access
189. The Director of Finance and Corporate Services may request computer audit reviews as necessary and arrange that the agreed recommendations are actioned.

190. Advice should be sought where required for relevant information governance and security issues from the Director of Operations and Assurance Services.

5.4 Fraud and Corruption

191. In line with their responsibilities, the Chief Executive and Director of Finance and Corporate Services shall monitor and ensure compliance with Secretary of State's directions on fraud and corruption.

192. The Board shall appoint, either internally or externally, a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the NHS fraud and corruption manual and guidance.

193. The Local Counter Fraud Specialist shall report to the HSCIC Director of Finance and Corporate Services and work with staff in the Department of Health Directorate of Counter Fraud Services and the Counter Fraud Operational Services in accordance with the NHS Fraud and Corruption Manual.

194. The Local Counter Fraud Specialist shall ensure that robust checks are in place on financial flows to guard against money laundering.

195. The Local Counter Fraud Specialist shall have the right of attendance at the Assurance and Risk Committee and shall present relevant reports to this committee.

196. The HSCIC will have in place a policy and process whereby employees or other persons may provide details of a suspected fraud or other irregular event to the appointed Local Counter Fraud Specialist anonymously.

197. The Director of Finance and Corporate Services will issue a management statement on the HSCIC's stance against corruption and fraud.

5.5 Income and Expenditure - Budgets, Control and Reporting

198. The HSCIC has a responsibility to prepare financial budgets in accordance with resource, capital and cash limits allocated by the Department of Health. It shall perform its functions within the total of funds available. All financial approvals and control systems shall be designed to meet this obligation and shall include the requirement for regular review in the light of variations from the financial budget.

5.5.1 Income and Expenditure

199. The Chief Executive, in conjunction with the Director of Finance and Corporate Services, shall be responsible for ensuring that, where relevant, all costs incurred are recovered through income and recharges due under service agreements, contracts for the provision of goods and services to customers and other agreements.

200. The Director of Finance and Corporate Services shall ensure that the financial details contained within service agreements or contracts entered into by the HSCIC are consistent with the requirement to balance income and expenditure; and shall ensure that

adequate financial systems are in place to monitor and control all such contracts and to facilitate the compilation of estimates, forecasts and investigations as may be required from time to time.

201. The HSCIC Board has the delegated responsibility to approve expenditure as set out in the HSCIC levels of Delegated Authority ([Annex H](#))

5.5.2 Budgets

202. The Director of Finance and Corporate Services shall submit capital and revenue budgets consistent with the policies of the HSCIC for approval by the Board prior to the commencement of each financial year. The budgets shall show clearly how proposed expenditure is to be funded from income due under contracts, service agreements and other sources of funding and shall be reconciled to the budget and savings targets notified to the HSCIC by the Department of Health. The budget shall be accompanied with a statement summarising any key issues or risks associated with its achievement. In so doing:

- The Director of Finance and Corporate Services shall review the basis and assumptions used to prepare the budget and ensure that they are sensible and realistic
- The Director of Finance and Corporate Services shall have right of access to all budget holders on budgetary related matters and ensure that all budgets submitted by budget holders are consistent with these bases and assumptions
- Such budgets shall relate to income and expenditure in that year and shall have supporting statements in order to explain any matter material to the understanding of those budgets

203. The budgets approved by the Board could be subsequently amended due to external influences not under the control of the HSCIC. The Director of Finance and Corporate Services shall report to the Board any such amendments.

204. The Chief Executive may, within budgetary limits approved by the Board, delegate responsibility for a budget or a part of a budget to operational managers to permit the performance of defined activities. Such delegation shall be included in the Scheme of Delegation and its terms shall include a clear definition of individual and group responsibilities for control of expenditure, achievement of planned levels of service and the provision of regular reports upon the discharge of these delegated functions to the Chief Executive.

205. In carrying out their duties:

- The Chief Executive shall not exceed the budgetary limits set by the Board
- Budget Holders shall not exceed the budgetary limits set for them by the Chief Executive
- The Chief Executive may vary the budgetary limit of an officer within the Chief Executive's own budgetary limits.

206. Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance and Corporate Services, budgets shall be used only for the purpose for which they were provided and any budgeted funds not required for their designated purposes shall revert to the immediate control of the Chief Executive.

207. Expenditure for which no provision has been made in an approved budget shall be incurred only after authorisation by the Chief Executive or the Director of Finance and Corporate Services as appropriate.

5.5.3 Control

208. The Director of Finance and Corporate Services shall be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the HSCIC to fulfil its statutory responsibility to meet its budget and savings targets issued by the Department of Health.

209. The Director of Finance and Corporate Services shall devise and maintain systems of budgetary control and all managers whom the Board may empower to engage staff or otherwise incur expenditure, collect or generate income, shall comply with the requirements of those systems. The systems of budgetary control shall incorporate the reporting of, and investigation into, financial, workload, or manpower variances from budget. The Director of Finance and Corporate Services shall be responsible for providing information and advice to enable the Chief Executive and other operational managers to carry out their budgetary responsibilities and for issuing to all relevant staff, rules and procedures governing the operation of budgets.

210. The Chief Executive shall devise and maintain adequate systems to ensure that the HSCIC can identify, implement and monitor opportunities for cost improvements and income generation.

5.5.4 Reporting

211. The Director of Finance and Corporate Services shall prepare as required a report showing:

- The income and expenditure of the HSCIC during the previous month and for the financial year to date, in comparison with the corresponding proportions of the approved budget to date
- A forecast of the HSCIC's expected position at the following 31 March.

212. The Director of Finance and Corporate Services shall keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards, and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.

5.5.5 Capital Expenditure

213. Capital expenditure and investments should be incurred and executed in line with the accounting policies set out in the annual financial accounts and those required by the Department of Health and HM Treasury.

214. The Board shall approve the proposed capital expenditure budget at the beginning of the financial year. Delegated levels of authority can be found in the Levels of Delegated Authority at [Annex H](#).

215. The Director of Finance and Corporate Services shall report regularly to the Board the actual expenditure against authorisation of capital expenditure and budget and report on any impairments or material changes in the valuation of assets.
216. The Director of Finance and Corporate Services shall ensure that controls are in place to ensure that capital funds are used only for the purpose for which they were approved and all requests for capital expenditure are properly authorised prior to acquisition.

5.5.6 Cash and Resource Limit Control

217. For all expenditure subject to cash limits the Director of Finance and Corporate Services must ensure that before each financial year, an income and expenditure budget and a cash flow is drawn up, setting out the financial resources proposed for carrying out the HSCIC's functions for that year approved by the Board.
218. The Director of Finance and Corporate Services must ensure that money drawn from the Department of Health against the Cash Limit is within the approved limits and is drawn down with the agreement of the Department of Health.
219. The Director of Finance and Corporate Services shall take the necessary action to prevent the HSCIC's cash limit being exceeded.

5.5.7 Reporting and the Annual Accounts

220. The Director of Finance and Corporate Services shall keep sufficient records to show and explain the HSCIC's transactions, and they shall be such as to disclose with reasonable accuracy, at any time, the financial position of the HSCIC.
221. The Director of Finance and Corporate Services shall prepare and submit such financial returns as may be required by the Board, the Department of Health or any other statutory requirements.
222. The Director of Finance and Corporate Services shall
- Prepare the annual accounts and year end consolidation returns in accordance with the requirements of the Financial Reporting Manual (FReM) and other current guidelines and standards and present them to the external auditors within the agreed timescale for review
 - Provide the external auditors with all explanations and assistance that they require to fulfil their statutory duties
 - Present them to the Assurance and Risk Committee for review and subsequent approval by the Board.
223. The Chief Executive (as Accounting Officer) on behalf of the HSCIC, shall submit annual accounts to the Comptroller and Auditor General to certify in respect of each financial year in such a form as the Secretary of State may, with the approval of the Treasury, direct (Schedule 18 s.14, Health and Social Care Act 2012).

5.5.8 Banking Arrangements

224. The HSCIC, being an ENDPB body of the Department of Health, is obliged to use the Government Banking Service (GBS) for its normal banking arrangements. However, commercial banks may be used for specific purposes, for instance where a credit card terminal is required.
225. The Director of Finance and Corporate Services shall advise the Board upon the provision of banking services. This advice shall take into account guidance and requirements issued, from time to time, by the Secretary of State or HM Treasury.
226. The Board shall approve the banking arrangements when for any reason an account other than a GBS account is used.
227. If banking arrangements other than via the Paymaster General are required then the Director of Finance and Corporate Services shall:
- Review the banking needs of the HSCIC at regular intervals
 - Ensure that they reflect current business patterns and represent best value for money
 - Undertake competitive offer exercises for banking services when demanded by changed circumstances, or at intervals not exceeding five years from a previous such exercise
 - Advise bankers in writing, including a copy of the Board's resolution, of the conditions under which each account shall operate. All funds shall be held in accounts in the name of the HSCIC. No director or employee other than the Director of Finance and Corporate Services shall open any bank account in the name of the HSCIC.
228. In the operation of all GBS and bank accounts, the Director of Finance and Corporate Services shall ensure:
- That payments authorised to be made from such accounts do not exceed the amount credited to the account
 - That payments made out of any accounts are authorised by no less than two authorised signatories and
 - The Board shall approve a panel of directors or employees, which shall include the Director of Finance and Corporate Services, who are authorised signatories for payments from such accounts.
229. All payment instruments shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.
230. The Director of Finance and Corporate Services may enter into a formal agreement with the Director of Finance of another organisation for payments to be made on behalf of the HSCIC to pay legitimate HSCIC expenses, from bank accounts maintained in the name of that other organisation or by electronic funds transfer (i.e. BACS).

5.5.9 Security of Cash, Negotiable Instruments and ‘Controlled Stationery’

231. The Director of Finance and Corporate Services is responsible for:

- Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable
- Ordering and securely controlling such stationery
- The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys etc.
- Prescribing systems and procedures for handling cash and negotiable securities on behalf of the HSCIC.

5.5.10 Pricing and Income

232. Within the following paragraphs, the Director of Finance and Corporate Services is identified as being responsible for ensuring that appropriate systems exist for the collection and management of income.

233. In respect of pricing HSCIC goods or services, margins will be determined according to national guidelines (including HMT fees and Charge Guide) approved by the Chief Executive on the advice of the Director of Finance and Corporate Services.

234. In respect of income generation, the HSCIC must act in accordance with its statutory powers and framework document. Any variation should be approved by the Department of Health or Secretary of State, where appropriate.

235. The Director of Finance and Corporate Services shall be responsible for designing and maintaining systems for the proper recording, invoicing and collection of all monies due, including the creation of a register for regular income, which shall incorporate the principles of internal checks and separation of duties.

236. The Director of Finance and Corporate Services shall be responsible for ensuring that all invoices to purchasers of services are sent out in accordance with the terms of the relevant service agreement or contract, or otherwise in accordance with guidance from the Director of Finance and Corporate Services.

5.5.11 Purchasing Goods and Services

237. The HSCIC's [Procurement Policy](#) sets out the principles and details of how the HSCIC shall purchase goods and services. This section outlines the financial principles involved in procurement and the procedures relating to the requisitioning, ordering, receipt and payment for goods and services received insofar as they relate to financial matters and ensure probity through the separation of these duties.

5.5.12 Requisitioning

238. Internal requisitions requesting that an order be placed shall be authorised only by directors and employees so approved by the Chief Executive set out in the Scheme of Delegations and these officers shall be different from those approved to authorise

purchase orders and to receive goods or services. Lists of approved individuals shall be maintained for management control purposes.

5.5.13 Purchasing

239. The Chief Executive is responsible for ensuring that contracts for purchasing goods and services are placed with due regard to the need to achieve value for money.

240. The Director of Finance and Corporate Services shall ensure that the financial details contained in contracts agreed by the HSCIC are consistent with good practice and financial probity, and that the contracts represent value for money.

5.5.14 Ordering

241. Goods, services or works shall be ordered using the HSCIC's official purchase order process as defined in the procurement guidelines.

242. Official purchase orders, which shall be held securely (both paper and electronic), shall be consecutively numbered, in a form approved by the Director of Finance and Corporate Services and shall include such information concerning prices, costs and terms and conditions of purchase as may be required.

243. Purchase orders shall be authorised only by directors and employees so approved by the Chief Executive and these individuals shall be different from those approved to authorise requisitions and to receive goods and services. Lists of approved individuals shall be maintained for management control purposes and copies supplied to the Director of Finance and Corporate Services.

244. The Director of Finance and Corporate Services shall ensure that appropriate delegation arrangements are in existence to ensure that no order is issued for which there is no budget provision, unless authorised by Budget Holders approved by the Chief Executive or Director of Finance and Corporate Services.

245. Orders shall not be placed in a manner devised to avoid the financial limits specified by the HSCIC.

5.5.15 Receipt of Goods

246. Individuals approved to receive goods or services from suppliers or contractors shall be different from those approved to authorise requisitions or purchase orders.

5.5.16 Approval of Invoices

247. All invoices received by the HSCIC shall be matched against the relevant purchase order and receipt of goods and providing it agrees within agreed tolerances, shall be approved electronically. Otherwise, invoices will be forwarded and approved manually by officers of the HSCIC in line with the Schedule of Delegations and approved by the Board.

5.5.17 Payment of Accounts

248. The overall responsibility for safe and efficient payment arrangements rests with the Director of Finance and Corporate Services who shall approve specific arrangements. Where the management of payment of accounts has been contracted to a third party then the Director of Finance and Corporate Services must be satisfied that the system is being operated within the principles detailed below. The principles are general in nature and will need to be tailored to meet the requirements of the particular payment systems in operation.
249. The Director of Finance and Corporate Services shall ensure that payment for goods and services is made only after the goods and services are received, or where a prepayment is considered appropriate, (e.g., rent, rates, purchase of licences) processes are in place to ensure the HSCIC receive the goods or services paid for.
250. The Director of Finance and Corporate Services shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with the agreed contract terms.
251. The Director of Finance and Corporate Services shall be responsible for approving systems for the verification, recording and payment of all accounts payable whether internal or through an out source supplier.

5.5.18 Payment of Staff

252. The Director of Finance and Corporate Services is responsible for the provision of a payroll service whether provided in-house or contracted out. The HSCIC currently use the Electronic Staff Record (ESR), a system developed for the use of the whole NHS. Consequently the payroll process has timetables, processes, and calculations etc. which are undertaken on a standard basis applicable to all NHS users. ESR shall be monitored so that the arrangements established for the payment of staff are in accordance with normally accepted principles. The Director of Finance and Corporate Services is responsible for ensuring that all such arrangements are compatible with the HSCIC's methods of working.
253. Staff are appointed and retained using the NHS Agenda for Change system wherever possible recognising that some staff are transferred to the HSCIC from other organisations and certain terms and conditions have to be applied. The guidelines and process of the DH Pay and Performance Oversight Committee and the Governance and Accounting committee are followed in relation to staff termination payments.
254. No director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:
- Unless that individual has the necessary delegated authority and
 - It is within the limit of their approved budget
255. The Director of Human Resources will ensure that there is a system of control and approval of all new starters to ensure that the post is approved and that sufficient funds are available.

256. The Director of Human Resources is responsible for ensuring that the HSCIC ESR records are maintained to a high standard.

257. The Director of Finance and Corporate Services is responsible for ensuring that:

- There is a proper procedure for updating and maintaining payroll records
- The calculated payroll is reviewed for accuracy on a monthly basis and significant variances are explained
- All employee deductions including taxes and pension contributions are paid on time to the correct body
- There is adequate security and confidentiality of payroll information

258. Appropriately nominated managers have delegated responsibilities for submitting:

- Time records and other notifications in accordance with an agreed form and within the predetermined timetable
- Termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Human Resources Business Partner Manager must be informed immediately

259. The Director of Finance and Corporate Services will receive on a regular basis as directed from the Head of Finance or the Head of Human Resources a summary of all significant payroll movements and statistics as deemed necessary.

5.6 Security and Register of Assets

260. Each employee has a responsibility to exercise a duty of care over the property of the HSCIC and it shall be the responsibility of all staff in all disciplines to apply appropriate routine security practices in relation to HSCIC property. Persistent or substantial breach of agreed security practices shall be reported to the Chief Executive.

261. Any damage to the HSCIC's property shall be reported by staff in accordance with the agreed procedure for reporting losses.

262. The Chief Executive shall ensure that a system is in place for the register and control of assets and, wherever practicable, items of equipment shall be marked as the HSCIC property.

263. The form of record and method of updating shall be as required by the Chief Executive as advised by the Director of Finance and Corporate Services, and shall make provision for:

- Recording managerial responsibility for each asset
- Identification of additions and disposals
- Identification of all repairs and maintenance expenses
- Physical security of assets
- Periodic verification of the existence of, condition of and title to assets recorded
- Identification and reporting of all costs associated with the retention of an asset
- Identification separately of equipment on loan from suppliers.

264. Additions to the fixed asset register must be clearly identified to an appropriate Budget Holder and be validated by reference to:
- Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
 - Wages records for own labour including appropriate overheads
 - Lease agreements in respect of assets held under a finance lease and capitalised, signed by the relevant officer.
265. The up to date maintenance of the asset register and annual checking of asset records shall be the responsibility of the Head of Finance.
266. On the closure of any facility owned, occupied or used by the HSCIC, an asset check shall be carried out and a designated officer shall certify a list of items held showing eventual disposal.
267. Where capital assets are sold, scrapped, lost or otherwise disposed of, the appropriate adjustments shall be made in the accounting records and each disposal shall be validated by reference to authorisation documents and invoices (where appropriate).
268. The Director of Finance and Corporate Services shall approve procedures for reconciling balances on fixed asset accounts in ledgers against balances on fixed asset registers.
269. The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual issued by the NHS.
270. The value of each asset shall be depreciated using methods and rates as agreed with the external auditors having considered best practice.

5.6.1 Losses, Condemnations and Special Payments

271. The Treasury retains specific controls over certain write-offs and payments known collectively as 'losses and special payments':
- 'Losses' cover any case where full value has not been obtained for money spent or committed, including for example cash losses, losses due to errors by staff, and
 - 'Special payments' cover any compensation payments, extra-contractual or ex-gratia payments, and any payment made without specific identifiable legal power for the Department/ALB to make the payment.
272. Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service and thus requires special control reporting to Parliament. This has been delegated to the Department of Health. All losses must be reported via an agreed procedure with the Arm's Length Body unit.
273. The HSCIC has no delegated authority to make special payments and must refer all such cases to the Department of Health for approval.

274. The Director of Finance and Corporate Services must prepare procedural instructions on the recording of and accounting for condemnations, losses and approved special payments. The Director of Finance and Corporate Services must also prepare a fraud response plan that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

275. Any employee discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance and Corporate Services, or the Local Counter Fraud Specialist. The Local Counter Fraud Specialist will then appropriately inform the Director of Finance and Corporate Services and/or Chief Executive. The Director of Finance and Corporate Services should immediately inform the police if theft or arson is involved.

276. For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance and Corporate Services must immediately notify the Board, and the External Auditors.

5.6.2 Losses

277. Losses fall into four categories:

- Category 1 - losses of cash
- Category 2 - fruitless payments (including abandoned capital schemes)
- Category 3 - bad debts and claims abandoned
- Category 4 - damage to buildings, their fittings, furniture and equipment and loss of equipment and property in stores and in use.

278. The Director of Finance and Corporate Services will investigate and review appropriate procedures arising from all such losses.

279. Special payments fall into four categories as follows:

- Category 5 - compensation payments made under legal obligation
- Category 6 - extra contractual payments to contractors
- Category 7 - ex-gratia payments
- Category 8 - extra statutory and extra regulatory payments.

280. The Director of Finance and Corporate Services shall report regularly to the Assurance and Risk Committee full details of proposed ex-gratia payments to staff or, special payments prior to reference to the Department of Health for approval, and full details of write-offs made.

5.6.3 Condemnations

281. All unserviceable articles shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Chief Executive. A record in a form approved by the Director of Finance and Corporate Services shall be kept of all articles submitted for condemnation and the condemning officer shall indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the counter-signature of a second officer authorised for the purpose by the Chief Executive.

282. The condemning officer shall decide whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Executive who shall take appropriate action. Where there are reasonable grounds to suspect that a criminal offence has been committed, action shall proceed as in paragraph 274 and in accordance with HSC1999/062.

5.6.4 Approval

283. The Board shall approve the writing-off of losses within the limits delegated to it from time to time by the Department of Health. The Chief Executive has responsibility to approve write-off and endorse special payments within delegated limits which should be reported to the Board on a timely basis.

284. All novel, contentious or repercussive cases shall be referred in advance of payment to the Department of Health for notification to and approval by HM Treasury. This includes all ex-gratia payments to staff in accordance with DAO (Gen) 11/05. The Director of Finance and Corporate Services shall inform the Board of any such referrals.

5.6.5 Register and Safeguards

285. The Director of Finance and Corporate Services shall maintain a losses and special payments register in which details of all losses and special payments shall be recorded as they are notified or approved. Write-off action approved by the Chief Executive and the Board and special payments approved by the Department of Health shall be recorded against entries in the register.

286. The Director of Finance and Corporate Services shall be authorised to take any necessary steps to safeguard the HSCIC's interest in bankruptcies and company liquidations.

5.7 Internal and External Audit

5.7.1 Internal Audit

287. The Director of Finance and Corporate Services is responsible, with the approval of the Assurance and Risk Committee, for appointing an effective Internal Audit service in a manner which encompasses the Department of Health assurance process. The objectives of an Internal Audit service are to review, appraise and report to the Assurance and Risk Committee upon:

- The extent of compliance with, and the financial effect of, relevant established policies, plans and procedures
- The adequacy and application of financial and other related management controls
- The suitability of financial and other related management data
- The extent to which the HSCIC's assets and interests are accounted for and safeguarded from loss of any kind, arising from; fraud and other offences, waste, extravagance, inefficient administration, poor value for money or other causes.

288. Management's responsibility is to establish systems of internal control for operations for which it is responsible to ensure that these are properly run. The principle aim for Internal Audit, therefore, is to assist the various levels of management in discharging their duties and responsibilities by carrying out appraisals and making the necessary appropriate recommendations to the Assurance and Risk Committee.
289. Internal Audit shall be entitled, without necessarily giving prior notice, to require and receive:
- Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
 - Access at all reasonable times to any land, premises or employees of the HSCIC
 - The production or identification by any employee of any of the HSCIC cash, stock and other property under the employee's control
 - Explanations concerning any matter under investigation or review.
290. Where a matter arises which involves, or is thought to involve, irregularities concerning cash, stock or other property of the HSCIC or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance and Corporate Services shall be notified immediately.
291. The Director of Finance and Corporate Services, using the Local Counter Fraud Specialist where appropriate, shall investigate cases of suspected fraud, misappropriation or other irregularities in conjunction, where necessary, with the relevant director and in consultation with the police where appropriate in accordance with the HSCIC's fraud policy and response plan.
292. The Internal Audit function shall report direct to the Director of Finance and Corporate Services. Internal audit reports shall be referred for action to the responsible director as appropriate. Failure to take remedial action within a reasonable period shall be reported to the Chief Executive or Assurance and Risk Committee as appropriate. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation on the objectivity of the audit, Internal Audit shall have access to report direct to the Chair or any non-executive member of the Board.

5.7.2 External Audit

293. The Comptroller and Auditor General is the statutory External Auditor of the HSCIC under schedule 18 s.14 (3) and s.15 (3) of the Health and Social Care Act 2012. The HSCIC will pay a cash fee for the annual audit, as agreed with the National Audit Office (NAO) on behalf of the Comptroller and Auditor General.
294. External Auditors acting on behalf of the National Audit Office (NAO) shall be entitled, without necessarily giving prior notice, to require and receive:
- Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
 - Access at all reasonable times to any land, premises or employees of the HSCIC
 - The production or identification by any employee of any of the HSCIC cash, stock and other property under the employee's control
 - Explanations concerning any matter under investigation or review.

295. The Assurance and Risk Committee will review the effectiveness of the external audit service, including considering whether the service offers value for money and any areas for improvement.
296. The Assurance and Risk Committee will receive the Annual Audit Strategy and reports on the audit.
297. The External Auditors shall have direct access to the Chair of the Assurance and Risk Committee as required, and at least once a year will meet with the non-Executive Directors of the Assurance and Risk Committee without the Executives.

5.8 Retention of Documents

298. The documents held in archives, including the archive known as 'The Safe Haven' within Information Governance shall be capable of retrieval by authorised persons.
299. Retained documents shall be destroyed in line with the Documents and Records Management Policy. Records shall be maintained of documents so destroyed.

6 Annexes

6.1 Annex A - The Seven Principles of Public Life

Nolan Committee's First Report, 'Standards in Public Life', Published in May 1995

6.1.1 Selflessness

Holders of public office will take decisions solely in terms of the public interest. They will not do so in order to gain financial or other material benefits for themselves, their family or their friends.

6.1.2 Integrity

Holders of public office will not place themselves under any financial or other obligation to outside individuals or organisation that might influence them in the performance of their official duties.

6.1.3 Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office will make choices on merit.

6.1.4 Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

6.1.5 Openness

Holders of public office will be as open as possible about all the decisions and actions that they take. They will give reasons for their decisions and restrict information only when the wider public interest clearly demands.

6.1.6 Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

6.1.7 Leadership

Holders of public office will promote and support these principles by leadership and example.

6.2 Annex B – Definition of Key Terms

6.2.1 Interpretation

Save as permitted by law at any meeting the Chair of the HSCIC is the final authority on the interpretation of Standing Orders.

These Standing Orders are made pursuant to the Health and Social Care Act 2012. Any expression to which a meaning is given in the Health and Social Care Act or in regulations made under it has the same meaning in these Standing Orders, unless the context requires otherwise. In addition:

‘Accounting Officer’ means the Officer responsible and accountable for funds entrusted to the HSCIC. They are responsible for ensuring the proper stewardship of public funds and assets. This is the Chief Executive for the HSCIC.

‘Board’ means the Chair and non-executive Directors, appointed by the Secretary of State and the Executive Directors appointed by the Board of the HSCIC.

‘Budget’ means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the HSCIC.

‘Budget Holder’ means the officer, as duly authorised, with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.

‘Caldicott Guardian’ means senior person responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing.

‘Chair’ is the person appointed by the Secretary of State to lead the Board and to ensure that it successfully discharges its overall responsibility for the HSCIC as a whole. The expression ‘the Chair of the HSCIC’ is deemed to include the vice-Chair of the HSCIC if the Chair is absent from the meeting or is otherwise unavailable.

‘Chief Executive’ means the Chief Officer of the HSCIC, the first Chief Executive was appointed by the Secretary of State.

‘Committee’ means a committee appointed by the Board.

‘Committee Members’ are persons formally appointed by the Board to sit on or chair specific committees.

‘Contracting and Procuring’ means the system for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for the disposal of surplus and obsolete assets.

‘Director’ means a member of the Board. Executive Director means an officer member and non-executive Director means a non-executive member.

‘Director of Finance and Corporate Services’ means the Chief Finance Officer of the HSCIC.

‘Legal Adviser’ means the properly qualified person appointed by the HSCIC to provide legal advice.

‘Member’ means non-executive and/or officer member of the Board

‘Motion’ means a formal proposition to be discussed and voted on during the course of a meeting.

‘HSCIC’ means the executive non-departmental public body (ENDPB) known as the Health and Social Care Information Centre established under the Health and Social Care Act 2012.

‘Nominated Officer’ means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

‘Officer’ means an employee of the HSCIC and any secondee or contractor acting for the HSCIC.

References to ‘he/him/his’ equally mean ‘she/her’

‘Schedule 18’ is schedule 18 of the Health and Social Care Act 2012

‘Scheme of Delegation’ sets out those matters on which decisions are reserved to the Board and those which are delegated to the budget holders, directors or employees.

‘Secretary of State’ means the Secretary of State for Health.

‘Secretary to the Board’ means a person appointed by the HSCIC to ensure HSCIC compliance with principles of best practice in delivering corporate governance standards and relevant public sector guidance.

‘Senior Independent Director (SID)’ means a person appointed by the Chair and HSCIC Board to support the Chair in leading the Board.

‘Senior Information Risk Owner (SIRO)’ means an Executive or Senior Manager on the Board who is familiar with information risks and the organisation’s response to risk.

‘SFIs’ means Standing Financial Instructions.

‘Sub-committee’ means a sub-committee of a committee appointed by the HSCIC Board.

‘Sub-committee members’ means persons formally appointed by the HSCIC Board to sit on or to chair specific sub-committees.

‘Vice-Chair’ means the non-executive member appointed by the Board to take on the Chair’s duties if the Chair is absent for any reason.

6.3 Annex C – Framework Agreement between the Department of Health and the Health and Social Care Information Centre

Link below:

Framework Agreement between the Department of Health and the Health and Social Care
Information Centre



Framework
Agreement

6.4 Annex D – HSCIC Board Terms of Reference

Link Below²:

Board Terms of Reference



Board ToR

² Please note that this link will take the reader to the Board approved version of the ToR, the document will be replaced with the revised and ratified ToR after the 03 September 2014 Board meeting.

6.5 Annex E – Assurance and Risk Committee Terms of Reference

Link below³:

Assurance and Risk Committee Terms of Reference



ARC ToR

Contents

³ Please note that this link will take the reader to the Board approved version of the ToR, the document will be replaced with the revised and ratified ToR after the 03 September 2014 Board meeting.

6.6 Annex F – Information Assurance and Cyber Security Committee Terms of Reference

Link below⁴:

Information Assurance and Cyber Security Terms of Reference



IACSC ToR

[Link](#)

⁴ Please note that this link will take the reader to the Board approved version of the ToR, the document will be replaced with the revised and ratified ToR after the 03 September 2014 Board meeting.

6.7 Annex G – Remuneration Committee Terms of Reference

Link below⁵:

Remuneration Committee Terms of Reference



Rem Com ToR

⁵ Please note that this link will take the reader to the Board approved version of the ToR, the document will be replaced with the revised and ratified ToR after the 03 September 2014 Board meeting.

6.8 Annex H – HSCIC Levels of Delegated Authority

Link below:

[HSCIC Levels of Delegated Authority](#)



HSCIC Levels of
Delegated Authority