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Person to contact about this policy	D Wilmshurst A McGuire	Version	0.8
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Corporate Governance Manual 2013-14

Document Management

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Reviewers

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

Reviewer name	Title / Responsibility	Date	Version
A Griffiths	Director of Business Services	25/11/2013	0.8
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Name	Signature	Title	Date	Version

Glossary of Terms

Term / Abbreviation	What it stands for

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Contents

1	Introduction	5
1.1	The Statutory Framework	5
1.2	Governance Framework	5
1.3	The Manual	6
2	Standing Orders	7
2.1	Board Membership and Conduct of Meetings	7
2.2	Meetings of the HSCIC	8
2.3	Personal Liability of Board Members	13
3	Code of Conduct for Board members	14
3.1	Responsibilities of Individual Board Members	14
3.2	Board Declarations of Interest and Register of Interests	14
3.3	Media and Public Speaking Engagements	14
4	Standards of Business and Personal Conduct	15
4.1	Tendering and Contract Procedure	15
4.2	Miscellaneous	18
5	Scheme of Delegation	20
5.1	Introduction	20
5.2	Role of the Chair	20
5.3	Role of the Chief Executive	21
5.4	Role of the Board	21
5.5	Delegation to Board Committees	23
5.6	Delegation of powers to named posts	25
6	Standing Financial Instructions	28
6.1	General	28
6.2	Responsibilities and Delegation	28
6.3	Financial Systems	30
6.4	Fraud and Corruption	31
6.5	Income and Expenditure - Budgets, Control and Reporting	31
6.6	Security and Register of Assets	39
6.7	Internal and External Audit	42
6.8	Retention of Documents	43
7	Annex	44
	Annex A	44
	THE SEVEN PRINCIPLES OF PUBLIC LIFE NOLAN COMMITTEE'S FIRST REPORT, "STANDARDS IN PUBLIC LIFE", PUBLISHED IN MAY 1995	44
	Annex B – definition of key terms	45

Annex C – Framework Agreement between the Department of Health and the Health & Social Care Information Centre	47
Annex D – Membership of the Board of the Health & Social Care Information Centre	47
Annex E – Code of Business Conduct	76
Annex F – Conflict of Interest Policy	77
Annex G – Hospitality Policy	85
Annex H – Confidentiality Policy	87
Annex I – HSCIC Board Terms of Reference	96
Annex J – Assurance & Risk Committee Terms of Reference	101
Annex K – Remuneration Committee Terms of Reference	104
Annex L - Levels of Delegated Authority	106
Annex M – Procurement Policy	110

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, honest 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 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 who 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 Document (see Annex C) which governs the relationship between the HSCIC and the Department of Health.

Board members have corporate responsibility for ensuring that HSCIC complies with all statutory 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 Practice 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 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 HSCIC strategic objectives. It is measured 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.

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. Members may be reappointed, but may not serve for more than two terms.
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 14.
4. The HSCIC has resolved that certain powers and decisions may only be exercised by the HSCIC in formal session. These powers and decisions are set out in the Scheme of Delegation (Section 5) 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, but the first appointment must be made by the Secretary of State.

Membership of the current Board and its terms of reference can be found at Annex D and Annex I respectively.

6. The Chair and non-officer members will be appointed and hold office as follows:
 - the Chair and non-officer 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-officer 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-officer member will on the termination of his office, be eligible for re-appointment.
7. The Chair and members may appoint one of the non-officer members to be vice-Chair for such period, not exceeding the remainder of his term as a member, as they may specify on appointing him.
8. Any member so appointed may at any time resign from the office of vice-Chair by giving notice in writing to the Chair. Where the Chair has died or has ceased to hold office, or 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.
9. The Chair or a non-officer member may resign from the office at any time during the term of office by giving notice in writing to the Secretary of State.

10. 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-officer member should continue to hold office, he may terminate their tenure of office immediately by giving them notice in writing to that effect.
11. If the Chair or non-officer member fails to attend three successive meetings of the HSCIC Board, the Secretary of State may terminate that person's tenure of office unless satisfied that;
 - the absence was due to a reasonable cause, and
 - the person in question will be able to attend meetings of the HSCIC within such period as the Secretary of State considers reasonable.
12. Where a person has been appointed to be the Chair or a non-officer 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.
13. If it appears to the Secretary of State that the Chair or a non-officer member has failed to comply with schedule 18 (disability on account of pecuniary interest) he may terminate that person's tenure of office by giving notice in writing to that effect.

2.2 Meetings of the HSCIC

14. Admission of the Press and Public – 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 or Committee 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)'.
15. Nothing in these Standing Orders requires the Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than in writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.
16. 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 four 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.
17. A member desiring a matter to be included on an agenda must make their request in writing to the Chair at least 7 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 7 days before a meeting may be included on the agenda at the discretion on the Chair.

18. 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

19. A member desiring to move or amend a motion must send a written notification of this to the Chair at least 10 working days before the meeting to the Chair, who will insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This Standing Order does not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.
20. 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.
21. Notice of motion to amend or rescind any resolution (or the general substance of any resolution) that has been passed within the proceeding 6 calendar months, must bear the signature of the member who gives it and also the signature of 4 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 6 months, however the Chair may do so if they consider it appropriate.
22. 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)
23. 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.
24. 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

25. 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.
26. 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.
27. An officer in attendance for an officer member but without formal acting up status may not count towards the quorum.

28. If the Chair or 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

29. The Chair and non-executive Directors have 6 votes and the Executive members have 5 votes. Executive votes are allocated as follows

- Chief Executive – 1 vote
- Director of Finance and Corporate Services – 1 Vote
- Director of HR and Transformation – 1 Vote
- Director of Clinical and Public Assurance – 1 Vote
- Director of Information and Data Services – 1 Vote

30. 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.

31. 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.

32. If a member so requests, their vote will be recorded by name.

33. In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.

34. 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.

35. 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

36. The minutes of the proceedings of a meeting will be drawn up by the Board Secretary (or their representative) and submitted for ratification at the following Board meeting; once ratified they will be signed by the Chair.

37. Any amendment to the minutes must be agreed and recorded in the minutes of the Board meeting at which they are submitted for agreement.

38. The minutes of Board meetings, other than minutes containing confidential information will be available to the public. The Board will also receive the minutes of its committees for information.

2.2.5 Suspension of, and Amendments to, Standing Orders

39. Except where this would contravene any statutory provision or any directions made by the Secretary of State for Health, 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-officer 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
40. A decision to suspend Standing Orders will be recorded in the minutes of the meeting.
41. 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.
42. No formal business may be transacted while Standing Orders are suspended.
43. The Assurance and Risk Committee will review every decision to suspend Standing Orders.
44. 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

45. 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 subject to such restrictions and conditions as the Board thinks fit.
46. The powers which the Board has retained to itself may in emergency be exercised by the Chair, after having consulted at least two non-officer members. The exercise of such powers by the Chair must be reported to the next formal meeting of the Board in public session for ratification.
47. 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.
48. 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.
49. 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.

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50. 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.
51. 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

52. Subject to such directions as may be given by the Secretary of State, the HSCIC may, and, if so directed by him, 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.
53. A committee appointed under paragraph 52 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.
54. Paragraphs 52 and 53 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.
55. 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.
56. Each such committee has terms of reference and powers and is subject to such conditions (as to reporting back to the Board), as the Board decides. Such terms of reference have effect as if incorporated into the Standing Orders.
57. 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.
58. 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.
59. The Chair of the Assurance and Risk Committee will be appointed by the Chair of the Board; the Chair of the Board will not chair the committee.
60. The Chair of the Board will chair the Remuneration Committee.
61. 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.
62. 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.

63. Further details of powers delegated to sub-committees can be found in Section 4.5.

2.3 Personal Liability of Board Members

64. 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.

65. 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. 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 HSCIC's legal advisers.

3 Code of Conduct for Board members

66. The Code of Business Conduct at Annex E 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

67. 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

68. The Conflicts of Interest Policy (Annex F) 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.

69. It is the personal responsibility of all Board members to declare any personal or business interests which may conflict with their responsibilities. [See Conflict of Interest Policy for further details].

70. If a Board member has any doubt about the relevance of an interest, this should be discussed with the Chair or the Board Secretary.

71. 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.

72. 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.

73. 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.

74. The Board Secretary will maintain a register of the Conflicts of Interests declared by Board members.

3.3 Media and Public Speaking Engagements

75. Board members must ensure that they inform the Chair of the Board of any engagements to speak in public on any subject related to the work of HSCIC. They must always make explicit those occasions when they are speaking as an official representative of HSCIC and when they are expressing their own personal views. The Chair of the Board is the official spokesperson for HSCIC. Board members must not commit to media interviews solely as representatives of HSCIC without first consulting and gaining the approval of the Chair.

4 Standards of Business and Personal Conduct

76. The following provisions should be read in conjunction with the Code of Business Conduct (Annex E).
77. Canvassing of Board members of the HSCIC or 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.
78. 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.
79. Informal discussions outside appointment panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
80. 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 him liable to instant dismissal.
81. The Chair and every member and officer 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.
82. 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.
83. Board members must adhere to the HSCIC's Code of Business Conduct for staff in respect of the offer / acceptance / rejection of any gifts or hospitality in accordance with the Code and notify the Secretary to the Board in writing of the offer / acceptance / rejection of gifts in accordance with the Code.
84. The HSCIC Board Secretary 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.
85. Board members are required to comply with the Confidentiality Policy.
86. The Conflict of Interest, Hospitality and Confidentiality Policies, including the declaration forms, can be found in Annex F, G and H respectively.

4.1 Tendering and Contract Procedure

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87. The procedure for making all contracts by or on behalf of the HSCIC shall comply with these Standing Orders.
88. 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.
89. 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.
90. 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 supply is proposed 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 required and is available from only one source
 - the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate
 - there is clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.
91. The limited application of the single tender rules outside of a competitively appointed framework contract should not be used to avoid competition or for administrative convenience or to award further work to a consultant 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.
92. 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.
93. Quotations are required where formal tendering procedures are waived under paragraph 90 and where the intended expenditure or income exceeds, or is reasonably expected to exceed the limits as set out in the HSCIC procurement guidelines.
94. 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.
95. All quotations should be treated as confidential and should be retained for inspection.

96. 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.

97. 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 his nominated officer, possible or desirable to obtain competitive quotations;
- the goods/services are required urgently.

98. Where tendering or competitive quotation is not required the Chief Executive shall ensure that the terms outlined in SFIs and the HSCIC procurement guidelines are fully met.

99. 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.

100. 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.

101. 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 SFIs
- EU Directives and other statutory provisions
- the HSCIC Procurement Guidelines
- the NHS Standard Contract Conditions as are applicable.

102. 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.

103. 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

104. 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 his 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

105. 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, or the Board has given the necessary authority to some other person for the purpose of such proceedings.
106. 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 or committee or sub-committee thereof to which the Board has delegated their powers on its behalf.
107. 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.
108. The common seal of the HSCIC will be kept by the Chief Executive or a nominated manager by him in a secure place.
109. 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.
110. The Chief Executive will keep a register in which he, or another manager of the HSCIC authorised by him, will enter a record of the sealing of every document.
111. 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.

4.2 Miscellaneous

112. 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.
113. SFIs and the Scheme of Delegation have effect as if incorporated into Standing Orders.

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114. 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.
 115. The annual review of these documents will also reflect any updates to any financial directions issued since the last annual review.

5 Scheme of Delegation

5.1 Introduction

116. 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.
117. 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.
118. 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.
119. 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.

5.2 Role of the Chair

120. The Responsibilities of the Chair are to:
 - Establish the reputation of the HSCIC as the trusted source of authoritative data and information relating to health and care, so that it plays a fundamental role in driving better care, better services and better outcomes for patients.
 - Ensure that the HSCIC's affairs are conducted with probity, and that the board's policies and actions support the HSCIC in the discharge of its functions and duties efficiently and effectively
 - By example, set the standards of integrity and ethical leadership for the organisation, ,
 - Chair the board and its meetings; planning the agenda and determining the quality, quantity and timeliness of information from management; developing the organisations priorities and creating an environment for constructive debate on key issues;
 - Ensure that the HSCIC has established effective corporate governance arrangements, providing advice to Parliament, the Secretary of State and feedback to the Department of Health when it periodically reviews the HSCIC;
 - Ensure that the Board puts policies in place to secure the effective management and development of its staff, that it is clear about the values it holds as an organisation and communicates them effectively to the Institute's staff and to its external partners; and
 - Carry out annual evaluation, objective setting and performance appraisal of the Chief Executive and objective setting and performance appraisal of non-executive directors.
 - To ensure that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board members, as well as the Board as a whole.

5.3 Role of the Chief Executive

121. 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 HSCIC is delegated to the Chief Executive, within a framework of strategic control described within this Scheme of Delegation.
122. 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.
123. 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
124. 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".
125. 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.
126. 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.
127. 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.

5.4 Role of the Board

128. 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 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
 - Using information appropriately to drive improvements
 - Supporting the executive management team and holding it to account

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- Ensuring the Board is able to account to Parliament and the public for how it discharges its functions
 - Ensuring that 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 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

5.4.1 Board as Employer

129. The Board must ensure that policies are in place to ensure that:

- It complies with all relevant legislation and that it employs suitably qualified employees who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies. All employees must be familiar with HSCIC's main aims and objectives
- The organisation adopts management practices which use resources in the most economical, efficient and effective manner
- The rules for the recruitment and management of employees provide for appointment and advancement on merit on the basis of transparency and equal opportunity for all applicants and employees. In filling senior staff appointments, the Board should satisfy itself that an adequate field of qualified candidates is considered
- HSCIC employees, and Board members, have appropriate access to expert advice and opportunities for training in order to enable them to exercise their responsibilities effectively

5.4.2 Accountability for Public Funds

130. 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 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.

131. 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 HSCIC's legal advisers.

5.4.3 Annual Report and Accounts

132. As part of its responsibilities for the stewardship of public funds, the Board must ensure that 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*.

133. Subject to any existing statutory requirements, HSCIC must produce an Annual Report and Accounts as a single document.
134. 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.

5.4.4 Failure to Comply

135. Failure to observe these requirements set out in this Code of Practice 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.
136. Any questions about the Code of Practice for Board members or the Board Standing Orders should be directed to the Board Secretary in the first instance.
137. This Code will be reviewed periodically by the Board.

5.5 Delegation to Board Committees

5.5.1 Assurance and Risk Committee

138. In accordance with 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.
139. The Terms of Reference of this committee are set out in Annex J. These should be reviewed on an annual basis.
140. 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.
141. 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 Audit 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.

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142. 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.
143. 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.
144. 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 (LCFS) and to enable the LCFS to attend Assurance and Risk Committee meeting when required.
145. 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.
146. 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.
147. 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.
148. 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.
149. The effectiveness of the Assurance and Risk Committee should be formally reviewed on an annual basis, in line with best practice procedures.

5.5.2 Remuneration Committee

150. The Remuneration Committee is chaired by the Chair of the Board, supported by the Director of Human Resources.

151. 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
- 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

152. Terms of reference for the Remuneration Committee are attached at Annex K.

5.6 Delegation of powers to named posts

153. 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
<i>Governance</i>	
Final authority on interpretation of Standing Orders	Chair
Arrangements for Board meetings	Chair/Board Secretary
Chair all board meetings and associated responsibilities	Chair
Emergency powers	Chair
Arrangement for Board sub-committee meetings	Non-executive chairing sub-committee
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	Chief Executive

Powers Delegated	Responsible Individual or Group
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	Board Secretary
Taking and keeping of Board and sub-committee minutes	Board Secretary
Maintaining the Hospitality Register	Board Secretary
<i>Finance & Commercial</i>	
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
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

Powers Delegated	Responsible Individual or Group
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
To ensure that a system of internal audit is in place	Assurance and Risk Committee
Ensure that a Risk Management process is in place	Assurance and Risk Committee
Delegate budget to budget holders	Director of Finance and Corporate Services
Incurring expenditure within the areas of budget responsibility	Budget holder
<i>Human Resources</i>	
To discipline Chief Executive and non-executive Directors	Chair
To discipline Executive Directors	Chief Executive
Appointment of all staff	HR Director
Issuing of contracts of employment	Director of HR
Re-grading of employees	HR Director
Dismissal of an employee	Board Executive Director
Authorisation of ex-gratia payments to staff	Chief Executive Officer/Remuneration Committee
Reporting HR staff numbers, pay awards and any ex-gratia payments to the Remuneration Committee and/or Board as appropriate	Director of HR
<i>Miscellaneous</i>	
Approval of arrangements for dealing with complaints	Chief Executive
Ensure value for money in service delivery	Chief Executive

6 Standing Financial Instructions

6.1 General

154. These Standing Financial Instructions (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.
155. Within the SFIs it is acknowledged that the Chief Executive and the Director of Finance and Corporate Services will have responsibility to the Board for ensuring that the HSCIC meets its obligation to perform 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.
156. 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.
157. 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.
158. 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.
159. 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.

6.2 Responsibilities and Delegation

160. 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.

161. 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.
162. The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Reservation of Powers to the Board' within the Standing Orders.
163. The Chief Executive will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the HSCIC.
164. The Chief Executive has overall responsibility for the HSCIC's system of internal control.
165. The Chief Executive will, as far as possible, delegate detailed responsibilities, but will remain accountable for financial control.
166. 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.
167. 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.
168. 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.
169. 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.

6.3 Financial Systems

170. 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.
171. The Director of Finance and Corporate Services shall be primarily responsible for the accuracy and security of the computerised financial data of the HSCIC.
172. 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.
173. 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 agreed system 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
174. 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
175. The Director of Finance and Corporate Services may request computer audit reviews as necessary and arrange that the agreed recommendations are actioned.
176. Advice should be sought where required for relevant information governance and security issues from the Director of Information Assurance.

6.4 Fraud and Corruption

177. 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.
178. 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.
179. The Local Counter Fraud Specialist shall report to the HSCIC Director of Finance and Corporate Services and shall 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.
180. The Local Counter Fraud Specialist shall ensure that there are in place robust checks on financial flows to guard against money laundering.
181. The Local Counter Fraud Specialist shall have the right of attendance at the Assurance and Risk Committee and shall present all reports to this committee.
182. 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.
183. The Director of Finance & Corporate Services will issue a management statement on the HSCIC's stance against corruption and fraud.

6.5 Income and Expenditure - Budgets, Control and Reporting

184. 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.

6.5.1 Income and Expenditure

185. 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.
186. 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.

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187. The ability of the HSCIC to generate and retain income is covered in Section 11 of this document.
188. The HSCIC Board has the delegated responsibility to approve expenditure as set out in the HSCIC levels of Delegated Authority (annex L)

6.5.2 Budgets

189. 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
190. 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.
191. 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, exercise of virement, achievement of planned levels of service and the provision of regular reports upon the discharge of these delegated functions to the Chief Executive.
192. In carrying out their duties:
- the Chief Executive shall not exceed the budgetary or virement 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 and virement limits.
193. 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, unless covered by the delegated powers of virement.

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194. Expenditure for which no provision has been made in an approved budget and not subject to funding under the delegated powers of virement shall be incurred only after authorisation by the Chief Executive or the Director of Finance and Corporate Services as appropriate.

6.5.3 Control

195. 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.
196. 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.
197. 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.

6.5.4 Reporting

198. 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.
199. 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.

6.5.5 Capital Expenditure

200. 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.
201. 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 L.

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202. 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.
203. 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.

6.5.6 Cash and Resource Limit Control

204. 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.
205. 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.
206. The Director of Finance and Corporate Services shall take the necessary action to prevent the HSCIC's cash limit being exceeded.

6.5.7 Reporting and the Annual Accounts

207. 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.
208. 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.
209. 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 (FRM) 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.
210. 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 & Social Care Act 2012).

6.5.8 Banking Arrangements

211. 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.

212. 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.
213. The Board shall approve the banking arrangements when for any reason an account other than a GBS account is used.
214. 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.
215. 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.
216. All payment instruments shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.
217. 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).

6.5.9 Security of Cash, Negotiable Instruments and 'Controlled Stationery'

218. 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.

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- prescribing systems and procedures for handling cash and negotiable securities on behalf of the HSCIC.

6.5.10 Pricing and Income

219. 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.
220. 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.
221. 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.
222. 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.
223. 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.

6.5.11 Purchasing Goods and Services

224. The HSCIC's Procurement Policy (see Annex M) 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.

6.5.12 Requisitioning

225. 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.

6.5.13 Purchasing

226. 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.
227. 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.

6.5.14 Ordering

- 228. Goods, services or works shall be ordered using the HSCIC's official purchase order process as defined in The Procurement Guidelines.
- 229. 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.
- 230. 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.
- 231. 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.
- 232. Orders shall not be placed in a manner devised to avoid the financial limits specified by the HSCIC.

6.5.15 Receipt of Goods

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

6.5.16 Approval of Invoices

- 234. 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.

6.5.17 Payment of Accounts

- 235. 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.
- 236. 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.

237. 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.
238. 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.

6.5.18 Payment of Staff

239. 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, 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 and the Director of Finance and Corporate Services is responsible for ensuring that all such arrangements are compatible with the HSCIC's methods of working.
240. 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.
241. 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
242. The Director of Finance and Corporate Services 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.
243. 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
 - that the HSCIC ESR records are maintained to a high standard
 - there is adequate security and confidentiality of payroll information;
244. Appropriately nominated managers have delegated responsibilities for submitting:
- time records and other notifications in accordance in 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 HR Business Partner Manager must be informed immediately.

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

6.6 Security and Register of Assets

246. 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.
247. Any damage to the HSCIC's property shall be reported by staff in accordance with the agreed procedure for reporting losses.
248. 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.
249. 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.
250. 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.
251. The up to date maintenance of the asset register and annual checking of asset records shall be the responsibility of the Head of Finance.
252. 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.
253. 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).

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254. 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.
 255. 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.
 256. The value of each asset shall be depreciated using methods and rates as agreed with the external auditors having considered best practice.

6.6.1 Losses, Condemnations and Special Payments

257. 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.
258. 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 and special payments must be reported via an agreed procedure with the Arm’s Length Body unit.
259. The Director of Finance and Corporate Services must prepare procedural instructions on the recording of and accounting for condemnations, losses and 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.
260. 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 (LCFS). The LCFS 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.
261. 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.

6.6.2 Losses

262. 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.

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263. The Director of Finance and Corporate Services will investigate and review appropriate procedures arising from all such losses.
264. 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.
265. 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.

6.6.3 Condemnations

266. 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.
267. 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 paragraphs 16.2 and in accordance with HSC1999/062.

6.6.4 Approval

268. 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.
269. 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.

6.6.5 Register and Safeguards

270. 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. 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.

271. 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.

6.7 Internal and External Audit

6.7.1 Internal Audit

272. 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.

273. 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.

274. 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 the HSCIC cash, stock and other property under the employee's control
- explanations concerning any matter under investigation or review.

275. 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.

276. The Director of Finance and Corporate Services, using LCFS 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.

277. 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.

6.7.2 External Audit

278. 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 NAO on behalf of the Comptroller and Auditor General.
279. 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 to all reasonable times to any land, premises or employees of the HSCIC
 - the production or identification by any employee of any the HSCIC cash, stock and other property under the employee's control
 - explanations concerning any matter under investigation or review.
280. 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.
281. The Assurance and Risk Committee will receive the Annual Audit Strategy and reports on the audit.
282. 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.

6.8 Retention of Documents

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

7 Annex

Annex A

THE SEVEN PRINCIPLES OF PUBLIC LIFE NOLAN COMMITTEE'S FIRST REPORT, "STANDARDS IN PUBLIC LIFE", PUBLISHED IN MAY 1995

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

Annex B – definition of key terms

Interpretation

1. Save as permitted by law at any meeting the Chair of the HSCIC is the final authority on the interpretation of Standing Orders.
2. 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.

‘Board Secretary’ 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.

‘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 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-officer 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’ shall mean non-officer 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” 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.

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

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

**Framework Agreement
between the Department of Health and the Health and Social Care Information Centre
(HSCIC)**

Date

Contents:

- 1 Purpose of this document
- 2 HSCIC's purpose
- 3 Governance
- 4 Accountability
- 5 HSCIC's board
- 6 Partnership working
- 7 Transparency
- 8 Audit
- 9 Delegations and financial management
- 10 Risk management
- 11 Human resources
- 12 Relations with the Department's other arm's length bodies
- 13 Review

Annexes:

- A Communications
- B Finance and accounting responsibilities
- C Wider guidance
- D Relationships with other ALBs

1. Purpose of this document

- 1.1. The purpose of this document is to define the critical elements of the relationship between the Department of Health and the Health and Social Care Information Centre (HSCIC). The document is focused on:
- How the Department and the HSCIC will work in **partnership** to serve patients, the public and the taxpayer; and
 - How both the HSCIC and the Department discharge their **accountability** responsibilities effectively.

2. The HSCIC's purpose

2.1 The HSCIC is an executive non-departmental public body established under the Health and Social Care Act 2012. It is the focal point for the collection, analysis, linking, secure storage and publication of the core data resources for health and social care. It also delivers informatics systems providing the expertise necessary to support the continuation of existing national systems as well as delivery critical services such as informatics standards delivery.

2.2 The HSCIC discharges its functions by:-

- Maintaining the critical national infrastructure that supports care delivery which is managed by the HSCIC;
- Providing key services that support commissioning and reimbursement;
- Supporting the Department of Health and customer NHS Trusts in their use of Local Service Provider contracts;
- Ensuring the proper management of HSCIC information assets, protecting individual privacy as required;
- Making data available in formats that encourage its use;
- Helping people understand the robustness of the information they are using;
- Approving and accrediting local and national IT systems against technical and clinical safety standards and delivering a suite of in house systems and services;
- Supporting the commissioning and use of information standards and supporting care services to apply consistent and robust practices locally.

3. Governance

3.1. The HSCIC is led by a board made up of:

- a non-executive chair appointed by the Secretary of State for Health;
- at least five further non-executive members, also appointed by the Secretary of State;
- a chief executive officer, the first of whom is appointed by the Secretary of State; and
- any other executive board members appointed by the non-executive members: the total number of executive members must be fewer than the number of non-executive members.

3.2. The Permanent Secretary has appointed a Senior Departmental Sponsor (SDS) who will act as the HSCIC's designated, consistent point of contact within the Department. The SDS will act as the link at executive level between the HSCIC and the senior officials of the Department, and also with ministers. Whilst the SDS role is facilitative and recognises the need for direct

engagement between HSCIC and other parts of the Department and ministers, it also supports the Permanent Secretary in holding the HSCIC to account and providing assurance on its performance. The SDS is currently the Director General for Information and Group Operations. The SDS will be supported by a Departmental sponsor team, which will be the principal day-to-day liaison between the Department and the HSCIC.

Process for setting objectives

- 3.3. The process for setting objectives for HSCIC will be undertaken annually. The objectives will be set out in a letter from the SDS to the Chief Executive of the HSCIC before the start of the financial year and will be published. The letter will be reviewed annually and re-published where any changes or additions are made.
- 3.4. The HSCIC will produce a strategy covering a 3-5 year period. The HSCIC will reach agreement with the Department and other relevant ALBs on its strategy. To facilitate comment, the strategy will be shared and discussed in advance of clearance by the HSCIC's board. The HSCIC will be made aware of any concerns the Department or relevant ALBs may have over the content of the plan. The HSCIC will also produce a business plan each year demonstrating how it will meet its legal duties and deliver its objectives. The Department will provide guidance to support this process, which will include target budgets covering administration, programme, revenue and capital funding. The HSCIC will reach agreement with the Department on its business plan. To facilitate comment from the Department, including relevant ministers, the business plan will be shared and discussed in advance of clearance with the HSCIC's board. The HSCIC will be made aware of any concerns the Department may have over the content of the plan.

Discharge of statutory functions

- 3.5. The HSCIC will ensure that it has appropriate arrangements in place for the discharge of each of the statutory functions for which it is responsible and is clear about the legislative requirements associated with each of them, specifically any restrictions on the delegation of those functions. It will ensure that it has the necessary capacity and capability to undertake those functions, and will ensure that it has the statutory power to take on a statutory function on behalf of another person or body before it does so. HSCIC will also ensure that there is periodic audit¹ of the discharge of its statutory functions so that the delivery of them remains effective, efficient and legally compliant.

Directions

¹ HSCIC should include a review of this in its three-year audit cycle, but ensure that they take steps to sufficiently assure themselves on an annual basis and include details of this within their governance statement

- 3.6. Under the terms of the Health and Social Care Act 2012 (section 254) the Secretary of State or NHS England may direct the HSCIC to establish and operate a system for the collection or analysis of information of a description specified in the direction.
- 3.7. The HSCIC will ensure that the Department is kept aware of any Directions, and their impact, which may be received from NHS England and of the impact of any Directions received from the Department. This will include the impact on costs and on deliverables already included in the annual business plan.
- 3.8. The Department sponsor team will liaise with Department policy leads wishing to issue Directions to the HSCIC and the HSCIC to ensure that they are issued in an effective and efficient manner.
- 3.9. The HSCIC will maintain a record of all Directions issued as part of its corporate governance responsibilities.

Cross-government clearance

- 3.10. In addition to internal governance, cross-government clearance is required for major new policy decisions of the type set out in Cabinet Office guidance.² Although such cases are likely to be small in number, the Secretary of State will be responsible for obtaining clearance and the HSCIC will adhere to any conditions applied through the clearance process. There will also be cases where the Secretary of State must consult Cabinet colleagues before giving the Government's view, even if collective agreement is not required. In such cases, the HSCIC will supply the Secretary of State with any information he or she needs in a timely fashion.

4. Accountability

Secretary of State

- 4.1. The Secretary of State is accountable to Parliament for the health system (its "steward"), including the HSCIC. The Department of Health supports the Secretary of State in this role. This involves:
 - setting national priorities and monitoring the whole system's performance to ensure it delivers what patients, people who use services and the wider public need and value most;
 - setting budgets across the health system, including for the HSCIC
 - setting objectives for the HSCIC;
 - supporting the integrity of the system by ensuring that funding, legislation and accountability arrangements protect the best interests of patients, the public and the taxpayer;
 - accounting to Parliament for the HSCIC's performance and the effectiveness of the health and care system overall.

The Principal Accounting Officer and the HSCIC's Accounting Officer

² Guide to Cabinet and Cabinet Committees, [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224997/Guide to Cabinet Committees 2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224997/Guide_to_Cabinet_Committees_2012.pdf) (pages 6-9)

- 4.2. The Department of Health's Permanent Secretary is the Principal Accounting Officer (PAO) and so is accountable in Parliament for the general performance of the health and care system in England, including the HSCIC. This requires that they gain assurance that the HSCIC is discharging its statutory duties and meeting its objectives. In this way the PAO is able to report to Parliament an informed account of the Department's stewardship of the public funds it distributes and for which it holds overall accountability.
- 4.3. The Department's Permanent Secretary, as the Department's PAO, has appointed the HSCIC's Chief Executive as its Accounting Officer (AO). The AO may be called to Parliament to account for the performance of the HSCIC. The PAO can also be held to account in Parliament since the PAO's oversight should allow him or her to assess the adequacy of HSCIC's stewardship of public funds and discharge of its duties. This assessment includes making judgments about whether the HSCIC is operating to adequate standards of regularity, propriety, feasibility and value for money (assessed for the Exchequer as a whole).
- 4.4. The PAO's oversight of the HSCIC's performance relies upon the provision of information, and processes to enable both parties to review performance.
- 4.5. The information provided to the Department by the HSCIC includes (not an exhaustive list):
 - reports prepared for each HSCIC board, which will meet at least six times a year in public, on performance, including in relation to finance, workforce, procurement, programme delivery, and parliamentary accountability, supported by qualitative information
 - assurance reports prepared for the board providing assessment against the objectives in the business plan, including risk management, statutory financial statements, in-year and year-end performance against budgetary controls, cash inflows and outflows on a monthly basis.
- 4.6. The processes in place to enable the Department and the HSCIC to review performance include:
 - Quarterly accountability meetings chaired by the SDS (or exceptionally, their deputy) with sponsor team and other Departmental officials as required, and the HSCIC's chief executive with appropriate members of the HSCIC's executive team, focussing on strategic issues or issues of delivery that the SDS believes it is appropriate to bring to the meeting.
 - Additional regular meetings with Departmental specialists, including finance, audit, human resources, procurement
 - Regular, informal contact between the HSCIC and the Department's sponsor team.
- 4.7. The HSCIC's Annual Report will include reference to the discharge of their statutory functions and progress made towards their objectives.
- 4.8. The HSCIC is responsible for the delivery of its objectives and the Department will limit the circumstances in which it will intervene in its activities. The

following constraints do, however, apply:

- i All funds allocated to the HSCIC must be spent on the statutory functions of the HSCIC if any funds are spent outside the statutory functions of the HSCIC the Department could seek adjustments to the grant in aid for running costs (administration) to compensate;
- ii The Secretary of State may remove any non-executive member from the Board on the grounds of incapacity, misbehaviour or failure to carry out their duties as a non-executive member;
- iii If the Secretary of State considers that the HSCIC is significantly failing in its duties and functions, then the Secretary of State is able to intervene and issue directions to the HSCIC. In the first instance, the Secretary of State could direct the HSCIC about how it carries out its functions. If the HSCIC failed to comply with such directions, he could either discharge the function himself, or make arrangements for another body to do so on his behalf. The Secretary of State will always publish the reasons for any intervention.

5. The HSCIC's Board

- 5.1. The HSCIC is governed by its board. The board's role is to establish and take forward the strategic aims and objectives of HSCIC, consistent with its overall strategic direction and within the policy and resource framework determined by the Secretary of State. The board's role is as described in the corporate governance code for central government departments³ and includes holding its executive management team to account and ensuring the organisation is able to account to Parliament and the public for how it has discharged its functions.
- 5.2. The board is led by a non-executive Chair, who is responsible to the Secretary of State for ensuring that the HSCIC's affairs are conducted with probity, and that the HSCIC's policies and actions support it in the discharge of its functions and duties efficiently and effectively and meet the HSCIC's objectives, including those set out in its business plan. The Senior Departmental Sponsor will ensure that there is an annual objective setting and review process in place for the Chair. The Chair, chief executive and non-executive directors will be responsible for appointing the executive directors.
- 5.3. The HSCIC's Chair and non-executive directors will be appointed by the Secretary of State. Appointments will be transparent, will be made on merit, and are regulated by the Commissioner for Public Appointments
- 5.4. The responsibilities of the chief executive are:
 - Safeguarding the public funds and assets for which the chief executive has charge;
 - Ensuring propriety, regularity, value for money and feasibility in the handling of those funds;
 - The day-to-day operations and management of the HSCIC;
 - Ensuring that the HSCIC is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in *Managing Public Money*, including seeking and assuring all relevant financial approvals;

³ The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, "the principles in the Code generally hold across other parts of central government, including departments' arm's length bodies".

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- Together with the Department, accounting to Parliament and the public for the HSCIC's financial performance and the delivery of its objectives;
 - Accounting to the Department's Permanent Secretary, who is PAO for the whole of the Department of Health's budget, providing a line of sight from the Department to the HSCIC;
 - Reporting quarterly to the PAO on performance against the HSCIC's objectives, to be discussed at one of the formal quarterly accountability meetings chaired by the Senior Departmental Sponsor.

5.5. The responsibilities of the board as a whole include supporting the Accounting Officer in ensuring that the HSCIC exercises proper stewardship of public funds, including compliance with the principles laid out in *Managing Public Money*; and ensuring that total capital and revenue resource use in a financial year does not exceed the amount specified by the Secretary of State.

5.6. The board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an Audit Committee⁴, chaired by an independent non-executive member with significant experience of financial leadership at board level. Other members need not be main board members but should be able to demonstrate relevant sectoral experience at board level. The committee should have at least four members, although this can be fewer if the board feel that is justified, and at least half of these should be main board members. The internal and external auditors must be invited to all meetings and be allowed to see all the papers.

6. Partnership working

6.1. The Department and the HSCIC will work together, and with the Department's other arm's length bodies, in the interests of patients, people who use services and the public to maximise the health and wellbeing gain for the population, working to the values set out in the NHS Constitution. To support this, the HSCIC and the Department will follow an 'open book' approach. In the case of issues with an impact on the development or implementation of policy, the Department can expect to be kept informed by the HSCIC. In the same way, the Department will seek to keep the HSCIC apprised of developments in policy and Government. There are likely to be some issues where the Department or the HSCIC will expect to be consulted by the other before the Department or the HSCIC makes either a decision or a public statement on a matter. The Department and the HSCIC will make clear which issues fall into this category in good time. The sponsor team will be responsible for ensuring that this works effectively. However particular arrangements apply to access to pre-publication statistics, which are described fully in Annex A, paragraphs 25-27.

Shared Principles

⁴ Known in the HSCIC as the Assurance & Risk Committee

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- 6.2. To support the development of this relationship, the Department of Health and HSCIC have agreed to a set of shared principles:
- Working together for patients, people who use services and the public, demonstrating our commitment to the values of the NHS set out in its Constitution.
 - Respect for the importance of autonomy throughout the system, and the freedom of individual organisations to exercise their functions in the way they consider most appropriate.
 - Recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. HSCIC will support the Department in the discharge of its accountability duties, and the Department will support HSCIC in the same way.
 - Working together openly and positively. This will include working constructively and collaboratively with other organisations within and beyond the health and social care system.
- 6.3. To support the Secretary of State and the PAO in their accountability functions, in addition to the HSCIC's annual report, the Secretary of State has the power to require HSCIC to provide to him or her such reports and information relating to the exercise of its functions as the Secretary of State may require. If necessary, the Senior Departmental Sponsor's team will be responsible for prioritising these requests for information.

Emergency preparedness, resilience and response

- 6.4. The SCIC will work with the Department, Public Health England, NHS England and other organisations involved in civil resilience to develop and resource effective, tested and coordinated plans to manage incidents and emergencies, including any necessary changes to the supply of goods and services.

Public and Parliamentary Accountability

- 6.5. The Department and its ALBs share responsibility for accounting to the public and to Parliament for policies, decisions and activities across the health and care sector. Accountability to Parliament will often be demonstrated through parliamentary questions, MPs' letters and appearances before parliamentary committees. Accountability to the public may be through the publication of information on the HSCIC's website, as well as through responses to letters from the public and responses to requests under the Freedom of Information Act.
- 6.6. The Department and its ministers remain responsible to Parliament for the system overall, so will often have to take the lead in demonstrating this accountability. Where this is the case, the HSCIC will support the Department by, amongst other things, providing information for ministers to enable them to account to Parliament. In its turn, the Department will provide leadership to the system for corporate governance, including setting standards for performance in accountability.
- 6.7. The HSCIC will, however, have its own responsibilities in accounting to the public and to Parliament, and its way of handling these responsibilities will be agreed with the Department. In all matters of public and parliamentary accountability the Department and its ALBs will work together considerably, cooperatively and collaboratively, and any information provided by the HSCIC will be timely, accurate and, where appropriate, consistent with information provided by the Department. To facilitate this, the Department and the HSCIC have agreed a public and parliamentary accountability protocol that sets out how they will work together to secure the

confidence of the public and Parliament, and to maintain the service levels that MPs and the public have come to expect.

7. Transparency

- 7.1 The HSCIC is an open organisation that will carry out its activities transparently. It will demonstrate this by proactively publishing on its website its annual report and key information on areas including pay, diversity of the workforce, performance, the way it manages public money and the public benefits achieved through its activities, and by supporting those who wish to use the data by publishing the information within guidelines set by the Cabinet Office⁵. The annual report will include a governance statement, which is reviewed by the Senior Departmental Sponsor. The HSCIC will hold open board meetings in line with the Public Bodies (Admission to Meetings) Act 1960.
- 7.2 To underpin the principles of good communication, ‘no surprises’ and transparency, the HSCIC and the Department will put in place arrangements for managing communications. Further details are provided in Annex A.
- 7.3 The HSCIC’s executive and non-executive board members will operate within the general principles of the corporate governance guidelines set out by HM Treasury⁶. They will also comply with the Cabinet Office’s Code of Conduct for Board Members of Public Bodies⁷ and with the rules on disclosure of financial interests contained in the provisions on the membership of the HSCIC’s board.
- 7.4 The HSCIC will develop a code of conduct for all staff which will comply with the principles in the Cabinet Office’s model code for staff of executive non-Departmental public bodies⁸, which includes guidance on conflicts of interest, political activity and restrictions on lobbying.
- 7.5 The HSCIC will take all necessary measures to ensure that:
- patient, personal and/or sensitive information within its care and control is well managed and protected through all stages of its use, including through compliance with the Data Protection Act

⁵ The guidance is available on the Gov.UK website: <http://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>

⁶ The corporate governance guidelines (available at <http://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, “the principles in the Code generally hold across other parts of central government, including departments’ arm’s length bodies”.

⁷ <http://www.bl.uk/aboutus/governance/blboard/Board%20Code%20of%20Practice%202011.pdf>

⁸ http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5_public_body_staffv2_tcm6-2484.pdf

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- it provides public assurance in respect of its information governance practice by completing and publishing an annual information governance assessment using an agreed assessment mechanism
 - it meets its legal obligations for records management, accountability and public information by compliance with relevant standards, including government and NHS codes of practice on confidentiality, security and records management.

7.6 The HSCIC's Senior Information Risk Owner and Caldicott Guardian will work together to ensure that both patient and other personal information are handled in line with best practice in government and the wider public sector.

Sustainability

7.7 As a major public sector body, the HSCIC has a key role to play in driving forward the government's commitment to sustainability in the economy, society and the environment. As a minimum, the HSCIC should comply with the Greening Government Commitments⁹ that apply to all government departments, executive agencies and non-departmental public bodies, set out in the action plan for driving sustainable operations and procurement across government. Reporting will be via the Department (including the consolidation of relevant information in the Department's annual resource account), and the Department will ensure that the HSCIC is aware of the process for this.

Whistleblowing

7.8 HSCIC, as with the Department and all its ALBs, should have whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance¹⁰. It should prohibit the use of confidentiality clauses that seek to prevent staff from speaking out on issues of public interest.

8. Audit

8.1 The Comptroller and Auditor General will audit the HSCIC's annual accounts and will lay them before Parliament, together with his report.

⁹ <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>

¹⁰

<http://www.nhsemployers.org/EmploymentPolicyAndPractice/UKEmploymentPractice/RaisingConcerns/Pages/Whistleblowing.aspx>

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- 8.2 The Comptroller and Auditor General may also choose to conduct a value-for-money audit of any aspect of the HSCIC's work: the HSCIC will cooperate fully with the NAO in pursuing such audits, and give them full access to all relevant files and information.
- 8.3 The HSCIC is responsible for establishing and maintaining internal audit arrangements in accordance with the Public Sector Internal Audit Standards. The HSCIC's internal audit function should report to its Audit and Risk sub-committee, and should consider issues relating to HSCIC's adherence to its business plan. The Department's Audit and Risk Committee remit includes risk management, corporate governance and assurance arrangements in all its subsidiary bodies and so the HSCIC's Audit and Risk Committee should work closely with the Departmental committee.

9. Delegations and financial management

- 9.1 Details of the HSCIC's financial arrangements, including funding allocation, in-year reporting, preparation of accounts, and the accounting officer's responsibilities in relation to financial management and the HSCIC's accounts, are provided in Annex B.
- 9.2 HSCIC's overall revenue and capital resources are set out in a formal budget allocation letter issued by the Department, providing detail of the budgetary limits as per HM Treasury guidance, which HSCIC must not breach without specific agreement with the Department
- 9.3 The HSCIC's delegated authorities are issued to it by the Department (on behalf of HM Treasury), including those areas where the HSCIC must obtain the Department or HM Treasury's written approval before proceeding. The HSCIC will adhere to these delegated authorities
- 9.4 The HSCIC must demonstrate that it is delivering its functions in the most efficient manner, and must provide timely returns to the Department where these are required either by it or by other departments within central government.
- 9.5 The HSCIC, as with all public bodies and government departments, must operate within any relevant set of efficiency controls. These controls may affect areas of spend such as information communications technology (ICT), marketing and advertising, procurement, consultancy, the public sector estate, recruitment, major projects or strategic supplier management. The Department will ensure that the HSCIC is kept informed of any efficiency controls in operation.
- 9.6 As part of the government's approach to managing and delivering public service at a reduced cost base, the HSCIC, as with all other arm's length bodies and the Department, will in future endeavour to receive its back office support, including finance and accounting, HR, payroll, procurement and ICT, internal audit, through a shared or standardised service approach. Details of the services between the HSCIC and the service provider will be set out in contract or, where appropriate, a service level agreement (SLA), subject to the overarching business requirements of the organisation.
- 9.7 A shared or standardised value for money approach will also apply to the use of estate. The HSCIC will comply with guidance on property and asset management, as set out in Cabinet Office guidelines on use of the estate as set out under National Property Controls.

- 9.8 The Health and Social Care Act 2012 and the National Institute for Health and Care Excellence (Constitution and Functions) and the Health and Social Care Information Centre (Functions) Regulations 2013 enable HSCIC to charge for the exercise of certain functions conferred on it by directions of NHS England. Further details are in Annex B

10. Risk management

- 10.1 The HSCIC will ensure that it deals with the risks that it faces in an appropriate manner, according to best practice in corporate governance, and develop a risk management strategy in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*¹¹. It will adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury guidance¹². It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.
- 10.2 The HSCIC will develop a reporting process to assure each meeting of its board, which will meet at least six times a year in public, of financial and operational performance against the HSCIC business plan. This assurance report will include information on risks and how they are being managed in accordance with the Treasury guidance mentioned above. The information prepared will be shared with the Department to enable the Department to assure itself on risk management. The HSCIC and the Department will agree a process and trigger points for the escalation of risks to the DH Audit and Risk Committee (ARC), where those risks will have a potentially significant impact on the HSCIC, DH or the wider system that requires a co-ordinated response.
- 10.3 The HSCIC will have effective and tested business continuity management (BCM) arrangements in place to be able to respond to disruption to business and to recover time-critical functions where necessary. In line with Cabinet Office guidelines, the BCM system should aim to comply with ISO 22301 Societal Security – Business Continuity Management Systems.
- 10.4 Risks to the wider system that arise from the HSCIC's operations, identified by HSCIC, DH or another body, will be flagged in the formal quarterly accountability meetings chaired by the SDS. Such risks may also be flagged by the HSCIC's Board and escalated to the DH ARC for consideration. It is the responsibility of the HSCIC and its sponsor to keep each other informed of significant risks to, or arising from, the operations of the HSCIC within the wider system.

11. Human resources

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf

¹² http://webarchive.nationalarchives.gov.uk/20130129110402/http://hm-treasury.gov.uk/d/managing_the_risk_of_fraud_guide_for_managers.pdf.pdf

- 11.1 The HSCIC is responsible for recruiting staff, but will comply with any departmental or government-wide recruitment controls. The Department will ensure that the HSCIC is made aware of any such controls. Very senior managers in the HSCIC are subject to the Department of Health pay framework for very senior managers in arm's length bodies, and may be subject to additional governance as specified by the Department. The Department will ensure that the HSCIC is aware of any such requirements or restrictions.
- 11.2 The HSCIC must obtain the approval of the Secretary of State in respect of policies relating to remuneration, pensions, allowances or gratuities.
- 11.3 In relation to remuneration, the HSCIC, as with all executive non-departmental public bodies, is subject to the pay remit process, which regulates the pay setting arrangements for its staff (those who are not very senior managers). The pay remit provides a framework within which the HSCIC sets:
- The pay envelope for the year
 - Pay strategies
 - Pay reporting
- 11.4 HM Treasury has delegated the approval of executive non-departmental public bodies' pay remits to parent departments. The HSCIC is therefore required to submit its pay remit proposals to the Department for approval.
- 11.5 Very senior manager remuneration is subject to the recommendations of the Senior Salaries Review Body
- 11.6 In relation to pensions, the organisational pension scheme is the NHS Pensions scheme, which is administered by the NHS Business Services Authority and has rules set down in legislation.
- 11.7 Like all departments and arm's length bodies, the HSCIC will be required to follow any requirements for disclosure of pay or pay-related information.
- 11.8 Subject to its financial delegations, the HSCIC is required to comply with the Department's and HM Treasury's approval processes in relation to contractual redundancy payments and any non-contractual payments. All novel or contentious payments require the Department's and HM Treasury's approval. Special severance payments are always considered novel or contentious (this includes any proposal to make a payment as a result of judicial mediation).

Equalities

- 11.9 The public sector equality duty requires HSCIC (as a public body) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 11.10 The provisions of the Equality Act 2010 (Specific Duties) Regulations 2011

require the HSCIC, as a public body, to:

- Annually, publish information to demonstrate compliance with the Public Sector Equality Duty. This information must include, in particular, information relating to persons who share a relevant protected characteristic who are its employees (provided the organisation has 150 or more employees) and other persons affected by its policies and procedures.
- Prepare and publish one or more objectives it thinks it should achieve to meet the Public Sector Equality Duty.¹³

12 Relations with the Department's other arm's length bodies

12.1 The HSCIC will work in partnership with the Department and its other arm's length bodies, in the interests of patients, people who use services and the public, to maximise the health and wellbeing gain for the population, and working to the values set out in the NHS Constitution. HSCIC's relations with other arms length bodies will include, but will not be exclusive to, relations taking place under the auspices of the Informatics Services Commissioning Group (ISCG).

12.2 The Department and its arm's length bodies have complementary but distinct roles within the system to ensure that service users receive high quality services which deliver value for public money. Details of the working arrangements with these bodies will be agreed and set out in partnership agreements.

13 Review

13.1 The Department will regularly review the HSCIC's performance at formal accountability meetings. In addition, the Department will undertake an in-depth review of the HSCIC as well as its other arm's length bodies on at least a triennial basis.

13.2 This agreement will be reviewed every three years, or sooner upon request of either party.

13.3 HSCIC is established by the Health and Social Care Act 2012. Any change to its core functions or duties, including mergers, significant restructuring or abolition would therefore require further primary legislation. If this were to happen, the Department would then be responsible for putting in place arrangements to ensure a smooth and orderly transition, with the protection of patients being paramount. In particular, the Department is to ensure that, where necessary, procedures are in place in the HSCIC so the Department can obtain independent assurance on key transactions, financial commitments, cash flows, HR arrangements and other information needed to handle the transition effectively and to maintain the momentum of any ongoing and / or transferred work.

¹³ This was required by 6 April 2013, and is required every four years thereafter

ANNEX A

Communications Protocol

General

1. This annex sets out the principles that govern how the HSCIC and the Department of Health will work together to deliver effective and coherent communications in the spirit of common purpose.
2. To ensure that communication activities deliver real benefit for patients, the public, communities, stakeholders and the system itself, these principles will underpin all communications activities, creating an integrated communications approach for the health and care system as a whole.
3. To support this, the HSCIC Director of Communications will take part in the cross-system Arm's Length Bodies Directors of Communications forum that will take ownership of the cross-system communications approach. The HSCIC and the Department of Health will also ensure that relevant senior officials from their communications teams meet regularly, build effective working relationships and design detailed working practices.
4. The general principles underpinning the approach to communications to be followed by the HSCIC and the Department will be:
 - Mutual respect, co-operation and 'no surprises'
 - Value for money and avoiding duplication
 - A shared responsibility to promote and protect the public's health, aligning these activities where appropriate
 - The most effective communication using the most appropriate voice

Communications strategy and planning

5. The HSCIC and the Department will develop annual communications strategies setting out their communications objectives and priorities. Where objectives are the same, the organisations will work together to ensure the associated activities are coherently aligned and add value to each other.

6. The ALB Directors of Communications forum will play a key role in ensuring communications strategies and planning across the health and care system are aligned and coherent.
7. As agreed by the Public Expenditure Committee (Efficiency and Reform) – PEX(ER) – major paid-for communications activity will also be incorporated into the annual health communication and marketing plans developed by the ‘Health Hub’. The Hub structure has been developed across government to ensure value for money, reduce duplication and share expertise. The annual Health Hub communications and marketing plan is a requirement of the Cabinet Office’s annual cross-government Proactive Communications Plan.
8. In addition, PEX(ER) agreed to a cross-government freeze on paid-for communications activity and a process managed by the Cabinet Office’s Efficiency and Reform Group (ERG) to manage this. The process, and details of the operation of the control, will be communicated [to you] separately by the Department.

Media Handling

9. The HSCIC will establish and maintain independent relationships with all those interested in, or affected by its work, including the media. It will have responsibility for dealing with media enquiries received relating to its work and the way in which it exercises its functions.
10. The Department and the HSCIC will keep each other informed of plans for media announcements. When it comes to the attention of either party that the media or any other organisation is intending to make public information related to the HSCIC or its work, they will, where possible, bring this matter to the attention of the other.
11. The Department and the HSCIC will, where possible, bring to the attention of communications leads in each organisation issues creating media interest and expected media coverage which relates to the work of the Department or the HSCIC.

Announcements

12. To support the principle of partnership working described in the framework agreement and the commitment to ‘no surprises’, the HSCIC and the Department will share a schedule of relevant planned announcements weekly or fortnightly as appropriate. These should be treated “in-confidence” by the receiving parties and care taken with onward circulation.
13. The HSCIC and the Department will endeavour to give each other as much notice as possible to enable early discussions on all aspects of the announcement with relevant policy and communications leads from each organisation.
14. The HSCIC and the Department will also share, in confidence and principally for information, a near-final draft of any relevant report to be published, including conclusions, any executive summary and recommendations.

Publications

15. ‘Publications’ in this section refers to documents such as annual reports, anything relating to the structure or operation of the organisation, and statutory reports such as accounts. It does not include green or white papers or any other significant statements of Government policy. In these

cases the Department will commit to the principle of 'no surprises' wherever possible and endeavour to share drafts with HSCIC officials for comment where appropriate.

16. There are separate arrangements for publication of official statistics and these are described in the Statistics section below.
17. To support the principle of partnership working described in the framework agreement and the commitment to 'no surprises', the HSCIC and DH will share a schedule of relevant forthcoming publications weekly or fortnightly as appropriate.
18. The HSCIC and the Department will, except in exceptional circumstances, share publications with each other ten working days before publication for information and to allow clarification of any issues that may arise. Officials will liaise as necessary to provide briefing on the publication. The HSCIC and the Department will, whenever possible, send a final copy of the publication to each other's officials at least three days before publication. In exceptional circumstances, this period may be shorter and both parties will endeavour to allow as long as possible in such cases.
19. Where the HSCIC and the Department cannot resolve an issue relating to the detail in a publication due for release, the organisation publishing the document will respond to the querying organisation in writing before publication explaining why the comments cannot be taken on board in the final copy of the document.
20. When it comes to the attention of the Department or the HSCIC that another Government Department or public body is intending to publish a report concerning the other party and its work, they will, wherever possible, bring this matter to the other's attention.

Digital and channel strategy

21. The Department and the HSCIC will develop annual digital strategies setting out their digital communications objectives and priorities. These strategies will follow the principles set out in the annual cross-Government digital strategy.
22. The Department and the HSCIC will use digital channels as their default channels for communications and services following the "digital first" channel strategy for health and care and the direction of travel set in the May 2012 Information Strategy for health and care, 'The Power of Information'.

Campaign activity

23. Any major, public-facing campaign activity should be incorporated into the annual health communication and marketing plans developed by the Health Hub and agreed through the ERG process.
24. The HSCIC will discuss this activity with the Department in advance and ensure that appropriate opportunities are given to inform the thinking and ensure a strategic fit with other campaigns across the health and care system. This will avoid unnecessary duplication and inefficient use of resource.

Statistics

25. Pre-announcement of statistical publications:
 - a. The planned month of any statistical publications should normally be announced at least 12 months in advance. The precise date should be announced or confirmed at least 4

weeks in advance. To support the principle of co-operation, the HSCIC should inform the Department's Statistics Team of any changes to planned publication dates for Official Statistics.

26. Sharing data in their final form for briefing:

- a. Official statistics in their final form, including any press release for publication of official statistics, will be shared with those officials and Ministers for whom pre-release access has been agreed no earlier than 24 hours before the formal time of publication. Access for briefing purposes is limited to requirements to brief Ministers or others who may be required to comment at the time of publication. A list of people should be agreed 10 working days in advance, by the Head of Profession for statistics at the HSCIC, who will consult with the DH Head of Profession if they judge necessary (current Departmental models for pre-release access may be consulted as a guide). The HSCIC is permitted in some circumstances to grant pre-release access to journalists under the legislation. In practice it has never done so. It would only do so in exceptional circumstances, and then only after informing the Department of its intention in advance and considering any views expressed in response.

27. Sharing pre-publication data for other purposes

- a. Official statistics may also, with the agreement of the Head of Profession for official statistics at the HSCIC, be shared before publication for other purposes as set out below:
 - i. With Department analytical staff where those staff are directly involved in producing the statistics,
 - ii. With named Department analysts and subject specialists, where in the opinion of the HSCIC there would be added value derived from their expert Quality Assurance (QA),
 - iii. Where Department officials apply to the HSCIC for access for a specified management purpose (if, for example, it is evident that patient health or public finances would be protected by granting such access).
 - iv. Where up-to-date data are needed for inclusion in a Departmental publication planned for release at the same time or shortly after the statistics are to be published.
- b. In all cases where pre-release access is agreed, the purpose, timings and names of individuals should be agreed in advance by the HSCIC Head of Profession for statistics. All pre-release access will be documented, and lists of people granted access will be made available on request. Where pre-release access has been granted, the pre-publication uses of the data will not exceed the stated purpose.

ANNEX B

Finance and Accounting

1. The Framework Agreement sets out the governance and accountability arrangements between the Department of Health and NHS England. This annex provides additional detail on the finance and accounting arrangements which complements the Framework Agreement itself.

Annual Expenditure Limits

2. The Secretary of State will give HSCIC its budget for the year in a letter to be sent to the HSCIC Chief Executive from the Department's Senior Departmental Sponsor (SDS). The Secretary of State will give HSCIC grant-in-aid funding for the year (see paragraph 9.2 in the Framework Agreement). The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. HSCIC will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the HSCIC. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
3. As Accounting Officer, the Chief Executive must ensure that, in any financial year, HSCIC's spending in each of the following categories does not exceed the limit set by the Secretary of State for that year:
 - revenue (non ring-fence);
 - revenue (ring-fence);
 - capital;
 - annually managed expenditure; and
 - technical accounting/budgeting.
4. The Accounting Officer must also ensure that:
 - HSCIC's total spending on administration in any financial year does not exceed the budget provided without specific agreement from the Department; and that
 - in any given year the cash usage of HSCIC does not exceed the cash limit (allotment) for HSCIC plus any payments received which are used to offset expenditure that would have otherwise scored against this limit.
5. Each of the controls referred to in paragraphs 2 and 3 above must be met individually.
6. In addition to their specific financial responsibilities, the HSCIC Board have a shared responsibility to facilitate the effective financial management of the health system, including delivery of the controls imposed upon the system by HM Treasury. Effective partnerships

developed with other relevant bodies, particularly NHS England, Public Health England will be the key to this.

Information systems: charging

7. The HSCIC is able to charge NHS England a reasonable fee in respect of the cost of complying with a direction given by NHS England for HSCIC to establish and operate an information collection or analysis system under section 254 of the 2012 Act. Similarly, if NHS England gives a direction to HSCIC under regulation 32 of the National Institute for Health and Care Excellence (Constitution and Functions) and the Health and Social Care Information Centre (Functions) Regulations 2013, S.I. 2013/259, requiring HSCIC to exercise such systems delivery functions of NHS England as are specified in the direction, the direction must permit HSCIC to charge NHS England a reasonable fee in respect of the cost of complying with the direction. If the Secretary of State gives HSCIC a direction under regulation 32 requiring HSCIC to exercise a systems delivery function of the Secretary of State, the direction may include provision about payments to HSCIC for things done in carrying out the direction.
8. HSCIC may charge for anything it does pursuant to its additional functions in section 270 of the 2012 Act, and calculate the charge on an appropriate commercial basis. However the carrying out of HSCIC's additional functions must be connected with the collection, analysis, publication or other dissemination of information and must not to a significant extent interfere with the performance by HSCIC of any statutory function.

Business Planning

9. HSCIC will be requested to produce a business plan each year (see paragraph 3.4 of the Framework Agreement). The plan should be costed: supporting guidance issued by the Department will provide the format and level of financial detail needed. Indicative financial budgets for both administration and programme funded activity will be discussed from the outset of business planning, incorporating any requirement to deliver overall efficiencies relevant to the Department and its arm's length bodies. The plan will include the funding for which the HSCIC is directly responsible. Programme funds which are owned by the Department of Health or other sponsoring body, such as NHS England, and spent on behalf of that body may be included in the business plan to give context on the systems and services delivered and the support being provided; such detail will not be included without prior agreement.
10. The business plan will need to identify detailed revenue, capital and cash forecasts for grant-in-aid funded activity, and also equivalent expenditure associated with any other income sources. It will need to clearly identify the distinction between costs and income falling inside and outside the administration budget regime.

Accounts

11. In relation to financial reporting, the Department is required by HM Treasury to report in-year financial performance and forecasts for all its arm's length bodies, by Estimate Line, and in a specified format, to a strict timetable. HSCIC is required to comply with Departmental plans and schedules which enable the Department to meet HM Treasury deadlines, and the Department's overall financial planning to meet HM Treasury spending controls through the Shared Financial Planning Agreement.

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12. HSCIC must prepare annual accounts for each financial year ending 31 March, and interim accounts for shorter periods if required. In relation to these accounts, HSCIC must:
- ensure that accounts are prepared according to the form, content, methods and principles prescribed by the Secretary of State in his annual group accounting instructions;
 - submit these accounts (both unaudited and audited) to the Department by a date to be specified by the Secretary of State; and
 - submit these accounts to the Comptroller and Auditor General (C&AG) for audit as soon as reasonably practicable after the year end (or, in the case of any interim account, as soon as reasonably practicable after the end of the interim period to which that interim account relates).
14. HSCIC must publish an annual report of its activities together with its audited accounts after the end of each financial year. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts are to be signed by HSCIC's Accounting Officer and laid before Parliament by HSCIC and made available on HSCIC's website, in accordance with the guidance in the Government Financial Reporting Manual (FReM). A draft of the report should be submitted to the Department in line with the published timetable.
15. The Accounting Officer must also ensure that HSCIC participates fully in all agreement of balances exercises initiated by the Department, and in the form specified by the Department, and that it agrees income and expenditure and payables and receivables balances both with other organisations within the Department's resource accounting boundary and, for the purposes of the Whole of Government Accounts (WGA), with other government bodies outside that boundary. In doing so, HSCIC should seek to agree all outstanding balances but in any case should keep within any level of materiality set by the Department.

Audit

16. Section 8 of the Framework Agreement sets out the high level requirements for audit.
17. To meet the requirements for internal audit, HSCIC must:
- ensure the Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with Public Sector Internal Audit Standards;
 - prepare an audit strategy, taking into account the Department's priorities, and forward the audit strategy, periodic audit plans and annual audit report, including HSCIC's Head of Internal Audit's opinion on risk management, control and governance as soon as possible to the Department; and
 - keep records of fraud and theft suffered by HSCIC and notify the Department of any unusual or major incidents as soon as possible.
18. The department is committed to the development of a group assurance model for DH and its arm's length bodies. HSCIC has agreed, in principle, that its internal audit provision will be delivered as part of a shared service once the contract period for its initial provider has expired. HSCIC will engage with the Department in the development of the group assurance model.

19. The Department's group internal audit service has a right of access to all documents prepared by HSCIC's internal auditor, including where the service is contracted out (until such time when the contract expires, after which Group Internal Audit will provide the audit service – including having access to all previous audit documentation).
20. For external audit, the Comptroller and Auditor General (C&AG) audits HSCIC's annual accounts. In the event that HSCIC has set up and controls subsidiary companies, HSCIC will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. HSCIC shall discuss with the Department the procedures for appointing the C&AG as auditor of the companies.
21. The C&AG:
 - will consult the Department and HSCIC on whom – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
 - has a statutory right of access to relevant documents including, by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from HSCIC;
 - will share with the Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within HSCIC;
 - will, where asked, provide the Department and other relevant bodies with regulatory compliance reports and other similar reports which the Department may request at the commencement of the audit and which are compatible with the independent auditor's role.
22. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which HSCIC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, HSCIC is to provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and is to use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Delegated Authorities

23. Paragraph 9.5 of the Framework Agreement requires HSCIC to abide by any relevant cross-Government efficiency controls. The Secretary of State has approved the establishment of revised controls for HSCIC, applicable specifically to and only for its expenditure on transition activities concerned with developing itself as a new organisation, where these activities will by their very nature be critical to the success of the system-wide reforms. These controls will be communicated to HSCIC.
24. Once the budget has been approved by the Department and subject to the Secretary of State's instructions and any other processes set out in this document, HSCIC has authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

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- HSCIC will comply with its delegated authorities, which cannot be altered without the prior agreement of the Department, noting that authority to approve novel, contentious or repercussive proposals cannot be delegated from HM Treasury; and
 - inclusion of any planned and approved expenditure in the budget will not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed.
25. HSCIC must obtain the Department's prior written approval before entering into any undertaking to incur expenditure outside its delegations or not provided for in its business plan as approved by the Department. In addition, the Department's prior written approval is required when:
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
 - carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.
26. For major projects, HSCIC will participate in the Department's common assurance and approval process.

ANNEX C

Wider guidance

The following general guidance documents and instructions apply to HSCIC. The Department may require HSCIC to provide additional management information on an ad hoc basis. Where this is the case, the Department will provide HSCIC with clear reasons for the request and will allow as much time as possible to comply with the request.

General

- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice* and its related guidance
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- *Managing Public Money*
<https://www.gov.uk/government/publications/managing-public-money>
- *Code of Conduct for Board Members of Public Bodies*
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- *Code of Practice for Ministerial Appointments to Public Bodies*
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- *The Parliamentary and Health Service Ombudsman's Principles of Good Administration*
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters
- *The NHS Records Management code of practice*
<https://www.gov.uk/government/publications/records-management-nhs-code-of-practice>
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts
- Other relevant instructions and guidance issued by the central departments
- Any statutory duties that are applicable to the HSCIC
- Specific instructions and guidance issued by the Department, including requests for information
- Any departmental plans to ensure continuity of services
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the HSCIC.

Audit and Risk

- *Public Sector Internal Audit Standards (PSIAS)*
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards-good-practice-guidance>
- *Management of Risk: Principles and Concepts*
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm

Finance

- *Government Financial Reporting Manual (FReM)*
<https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- Departmental Banking: A Manual for Government Departments, Annex 5.7 of *Managing Public Money*
- Relevant Dear Accounting Officer letters;
- *Regularity, Propriety and Value for Money*
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/Reg_Prop_and_VfM-November04.pdf
- *Improving spending control*
<https://www.gov.uk/government/publications/improving-spending-control>

HR

- *Model Code for Staff of Executive Non-departmental Public Bodies* (Cabinet Office)
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5_public_body_staffv2_tcm6-2484.pdf
- *DH Pay Framework for Very Senior Managers in Arms-Length*
<https://www.gov.uk/government/publications/pay-framework-for-very-senior-managers>

FOI

- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice)

Estates and Sustainability

- *Greening Government Commitments*
<http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>
- Government Property Unit *National Property Controls and standards for office accommodation* (available from DH)
- *The Department of Health's Property Asset Management procedures* (available from DH)

Information Governance and Security

- *The NHS Information Governance Toolkit*
<https://nww.igt.hscic.gov.uk/>
- HMG IA Standard No. 6: *Protecting Personal Data and Managing Information Risk* (available from DH)
- *HM Government's Security Policy Framework*
<https://www.gov.uk/government/publications/security-policy-framework>
- *Information Security Management: NHS Code of Practice*

<https://www.gov.uk/government/publications/information-security-management-nhs-code-of-practice>

- **Confidentiality: NHS Code of Practice**

<https://www.gov.uk/government/publications/confidentiality-nhs-code-of-practice>

Transparency

- **The Prime Minister's commitments on transparency**

<http://webarchive.nationalarchives.gov.uk/20130109092234/http://number10.gov.uk/news/letter-to-government-departments-on-opening-up-data/>

ANNEX D

Relationships With Other Bodies

In order to deliver its functions efficiently and effectively, and to support alignment across the whole system, the Health and Social Care Information Centre (HSCIC) will work closely with its sponsors in the Department of Health (DH) and with DH Arms Length Bodies (ALBs) as follows:

- **Care Quality Commission (CQC):** HSCIC may be required by CQC to collect information where necessary to allow CQC to fulfil its statutory duties, subject to the constraints in the Health and Social Care Act 2012 or made in regulations.
- **Health Education England (HEE)** the HSCIC will support HEE to provide oversight and leadership on workforce planning and commissioning, education and training through the collection, analysis and provision of workforce data.
- **Health Research Agency** HSCIC will work with HRA on issues to do with the collection, analysis, dissemination and publication of information for research

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- **Local authorities, social care employers** HSCIC will work with these organisations to help ensure that HSCIC's work reflects their needs and priorities.
 - **Medicines and Healthcare Products Regulatory Agency (MHRA)**
HSCIC will work with MHRA to help ensure that HSCIC's work reflects its needs and priorities.
 - **Monitor** HSCIC may be required by Monitor to collect information where necessary to enable Monitor to fulfil its statutory duties, subject to the constraints of the Health and Social Care Act 2012 or made in regulations
 - **NHS England** HSCIC may be directed by NHS England to collect information where necessary to fulfil its statutory duties, subject to the constraints in the Health and Social Care Act 2012 or made in regulations. Details of the working arrangements with NHS England will be agreed and set out in a Memorandum of Understanding (MoU)
 - **NHS Trust Development Agency (NHS TDA)** HSCIC will work with the NHS TDA to help ensure that HSCIC's work reflects its needs and priorities.
 - **NICE** HSCIC will develop indicators with NICE for the Quality and Outcomes Framework and the Clinical Commissioning Group Outcomes Indicator Set (CCGOIS). NICE will be able to require the HSCIC to collect information where necessary to allow NICE to fulfil its statutory duties, subject to the constraints in the Health and Social Care Act 2012 or made in regulations
 - **Public Health England (PHE):** The Secretary of State for Health will be able to direct the HSCIC to collect information on behalf of PHE (as an Executive Agency of DH). The HSCIC will remain the default collector of national data but where PHE collects data for public health purposes, it shall submit data in a form that allows linkage with other datasets. The HSCIC and PHE shall work together to implement a survey and data collection strategy to improve the value and quality of public health data sets, and develop tailored data sets for particular areas of interest in response to public health requirements.

Annex D – Membership of the Board of the Health & Social Care Information Centre

Non-executive Directors

Kingsley Manning (Chair)
Tony Allen (Vice-Chair and Chair of the Assurance & Risk Committee)
Sir Ian Andrews
Sir Nick Partridge
Lucinda Bolton
Mike Pearson

Executive Directors

Alan Perkins (Chief Executive)
Carl Vincent
Rachael Allsop
Dr. Mark Davies
Max Jones

(November 2013)

Annex E – Code of Business Conduct

To be completed late November / early December 2013

Annex F – Conflict of Interest Policy

Revision History

Version	Date	Summary of Changes
0.1	13/09/2013	Initial draft
0.2	20/09/2013	Revised version from AG
0.3	23/09/2013	Following further discussion between AG and DW
0.4	15/10/2013	Following comments from KB
0.5	29/10/2013	Following comments from JNCC
1.0	29/10/13	Approved version

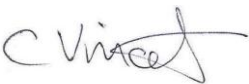
Reviewers

This document must be reviewed by the following people:

Reviewer name	Title / Responsibility	Date	Version
A Griffiths	Director of Business Services	23/09/2103	0.2
K Baker	Head of HR	15/10/2013	0.3
JNCC		25/10/13	0.4

Approved by

This document must be approved by the following people:

Name	Signature	Title	Date	Version
C Vincent		Director of Finance & Corporate Services	29/10/13	0.5

NB. The version of the policy posted on the intranet must be a pdf copy of the signed approved version.

Document Status

This is a controlled document.

Whilst this document may be printed, the electronic version posted on the intranet is the controlled copy. Any printed copies of the document are not controlled.

Related Documents

These documents will provide additional information.

Ref no	Doc Reference Number	Title	Version

Contents

1. Introduction	page 4
2. Principles	page 4
3. Conflict of Interest	page 4
Commercial Interest	page 4
Gifts and Hospitality	page 5
Private Connections	page 5
4. Insider Dealing	page 5
5. How to declare a Conflict of Interest	page 5
6. Negotiating, awarding and implementing contracts with third parties	page 6
7. New Starters	page 6
8. Contract & Commercial Work Area	page 6
9. What happens if a material Conflict of Interest is revealed?	page 7
10. References	page 7
Appendix 1 – Declaration Form	page 8

1. Introduction

- 1.1. For the public to have confidence in the activities of the Health & Social Care Information Centre (HSCIC) it is essential that the organisation is and is seen to be transparent, ethical and accountable in the way it conducts its business and that all individuals employed or engaged by the HSCIC remain beyond suspicion.
- 1.2. The HSCIC Code of Business Conduct [[Link](#)] provides guidance on meeting these expectations. The Conflict of Interest Policy forms a key element and sets out the principles and procedures to which everyone must adhere in order to minimise the impact of any potential conflict between private interests and the business requirements of the HSCIC.
- 1.3. It is important that the Conflict of Interest Policy is read in conjunction with HSCIC's Code of Business Conduct, Corporate Confidentiality Policy and Hospitality and Gifts Policy; all have a bearing on this policy and all can all be accessed via the intranet addresses at section 10.
- 1.4. The Conflict of Interest Policy applies to everyone employed or engaged on HSCIC work. Failure to comply with any aspect may result in disciplinary action being taken against the individual concerned or in the case of someone not directly employed by HSCIC, termination of their placement, secondment or other arrangement.

2. Principles

- 2.1. HSCIC staff are expected, at all times, to conduct themselves to the highest standards of personal and professional integrity. It is a fundamental requirement that for the duration of a person's employment with the HSCIC they will not, on a personal basis, engage, hold an interest in or otherwise be associated with any other business or occupation, whether directly or indirectly, that is connected to HSCIC business without the written consent of the HSCIC at director level.
- 2.2. Prior to a person taking up appointment or engagement with the HSCIC anything that might constitute a conflict of interest must be brought to the attention of the to the HSCIC's Business Services Corporate Assurance team (david.wilmshurst@hscic.gov.uk; 0113 397 3802) via the recruiting manager.
- 2.3. It is a fundamental requirement that engagement with HSCIC must not be used to promote personal interest or the interests of any other person or business.

3. Conflict of Interest

Commercial Interest:

- 3.1 A commercial interest is where a personal financial benefit could be gained because of an association with a business or organisation which directly or indirectly provides services or products to the HSCIC, or is likely to do so in the reasonable foreseeable future or where the business or organisation is providing similar services or products to those delivered by the HSCIC. For example:

- a) Where an individual or someone close to them, including close family, close friends or other personal relationship, have a registered holding of securities exceeding £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the lesser, and whose business might reasonably be perceived as being closely associated with that of the HSCIC or is a company with which HSCIC currently contracts for the provision of products or services or is likely to do so in the reasonably foreseeable future.
- b) Where an individual or someone close to them holds a directorship or a senior management position in a third party company or partnership organisation which delivers products or services that may be reasonably perceived as closely aligned with services or products provided by the HSCIC or is a company or partnership organisation with which HSCIC currently contracts for the provision of products or services or is likely to do so in the reasonably foreseeable future. In such an instance, the written approval of the Director of Business Services must be obtained.

Gifts and Hospitality

- 3.2 Care should always be taken over receipt of gifts and hospitality from a third party as this can often give rise to a claim of potential conflict of interest. The HSCIC's Hospitality and Gifts Policy is designed to protect against such allegations and must be adhered to at all times.

Private Connections:

- 3.3 A close family member, close friend or someone with whom there is a close personal relationship who is working for a company or organisation associated with the products or services delivered by the HSCIC would not on its own give rise to a conflict of interest but it would become a declarable conflict of interest should it reasonably be perceived that a commercial benefit was being gained from that relationship.

4. Insider Dealing

- 4.1. If whilst working within HSCIC, a person gains information which is unpublished and price sensitive in relation to the shares or other securities of companies with whom HSCIC contracts, they are prohibited by law, from using that information to trade in those companies, or encouraging others to do so – this is what is known as 'insider dealing'. It is therefore very important that any shares or other securities held in such companies are fully detailed in the declaration of interest.

Remember you must not make use of any information acquired in the course of working at the HSCIC to advance your own or anyone else's financial or employment interests.

5. How to declare a Conflict of Interest

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- 5.1 The declaration form (appendix 1) should be used to declare a potential conflict of interest. This should be completed as soon as a potential issue arises. If you are in any doubt over your situation then seek advice from the Business Services - Corporate Assurance team [david.wilmshurst@hscic.gov.uk; 0113 397 3802] *It is better to declare something as a potential conflict rather than assume otherwise.*

Remember that by declaring a conflict of interest you allow action to be taken to mitigate the conflict and this then protects your position should subsequent allegations of impropriety be received.

- 5.2 An annual exercise is conducted by the Business Services Corporate Assurance team to update Conflict of Interest declarations; nil returns will be always required.

Remember you have a responsibility to declare any circumstances which may give rise to a conflict of interest so do not wait for the annual review; it is in your interests to act immediately.

6. Negotiating, awarding and implementing contracts with third parties

- 6.1 If your role involves negotiating, awarding and implementing contracts with third parties then pay particular attention to declare any personal interests including those of close family, friendships or other personal relationships, with third parties or with whom HSCIC currently contracts the provision of products or services, or is likely to do so in the foreseeable future.

7. New Starters

- 7.1 It is a condition of employment that HSCIC employees are required to read the Conflict of Interest Policy. This also applies to temporary and interim resources. Failure to do so will delay the start of the appointment. The Conflict of Interest Policy is transmitted electronically to the new starter's PC/laptop and they are required to confirm that they have read the policy before they will be granted access the HSCIC systems and network. Where a conflict of interest is declared this is recorded electronically and an electronic log records all decisions. Once confirmation is made that the Policy has been read, access to HSCIC systems and networks will be granted. If a conflict is declared it will be forwarded to Business Services Corporate Assurance for review but in the meantime access to HSCIC systems and networks will be provided.

- 7.2 Individuals who are not to be given immediate access to the HSCIC network must be given, by their line manager, a hard copy of the Declaration Form at Appendix 1 to sign. The completed form must be sent to HSCIC Corporate Assurance function, Trevelyan Square, Leeds.

8. Contract & Commercial Work Area

- 8.1 The Contracts & Commercial area is considered by HSCIC as a high risk area for potential conflicts of interest to arise.

8.2 Accordingly, all successful candidates employed to work within HSCIC's Contracts & Commercial Work Area will be issued with a copy of this Policy and Declaration Form to complete when the conditional offer of employment is made.

8.3 Only when any potential conflict of interest has been investigated, and deemed acceptable as not revealing any material risk of conflict, will the unconditional offer of employment be made to work in the Contract & Commercial Work Area.

9. What happens if a material Conflict of Interest is revealed?

9.1 If a Conflict of Interest is declared and investigation of that conflict reveals a potentially material conflict of interest, the HSCIC Director of Business Services will consider the matter and seek advice where appropriate.

9.2 Registering declarations ensures that individuals are protected against any subsequent accusation of compromise, provided full disclosure has been made and any advice followed.

10. References

HSCIC Hospitality and Receipt of Gifts Policy
HSCIC Code of Business Conduct
HSCIC Confidentiality Policy

Appendix 1

Declaration Form

To be completed by individuals working within the Health & Social Care Information Centre (HSCIC). This includes permanent positions, fixed term contracts, Interim Resources, Secondees and Temporary Administrative Resource.

Personal Details

Name	
Position	
Department	
Company/Organisation (if a Interim Resource, temp or secondee)	
Telephone number	
Line Manager	

Declarations

Is this a change or addition to a previous declaration?
Yes/No (Please delete as appropriate)

Are you personally aware of any potential or actual conflict of interest, as set out in the Conflict of Interest policy, which may involve you personally, close family, friendships or personal relationships?

Yes/No (Please delete as appropriate)
If yes, please explain in as much detail as possible, continuing on a separate sheet if necessary

.....

.....

Is there any other information which would be deemed reasonable for the HSCIC to be informed of that could give rise to a conflict of interest?
Yes/No (Please delete as appropriate)
If yes, please explain in as much detail as possible, continuing on a separate sheet if necessary

.....

.....

I confirm that the above information is accurate and correct. I have read the HSCIC Policy on Conflict of Interest. I will adhere to the requirements laid out in that policy and I will immediately inform the HSCIC Corporate Assurance function orally and in writing, should any situation arise which results in a Conflict of Interest.

Signed.....**Date**.....

Those individuals employed in a post that does not require access to HSCIC systems and network must return the completed declaration to your line manager, who will then submit to HSCIC Corporate Assurance function.

Interim Resources, secondees, temporary/agency workers employed in a post that does not require access to HSCIC systems and network must return the completed declaration to your line manager, who will then submit to the HSCIC Corporate Assurance function.

Corporate Assurance
Health & Social Care Information Centre
1 Trevelyan Square
Boar Lane
Leeds
LS1 6AE

For Corporate Assurance Use only

Approval Granted yes/no	
Signed by	
Date	

Annex G – Hospitality Policy

To be completed late November / early December 2013



Annex H – Confidentiality Policy

Revision History

Version	Date	Summary of Changes
0.1	13/08/2013	Initial draft for review
0.2	15/08/2013	Following initial comments by AG
0.3	06/09/2013	Following comments by DF
0.4	23/09/2013	Following comments by MD, KB
0.5	23/09/2013	Version for review by AG
0.6	15/10/2013	Version for approval by CV, following circulation to JNCC and further review by AG
1.0	29/10/2013	Version approved by Carl Vincent

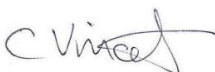
Reviewers

This document must be reviewed by the following people:

Reviewer name	Title / Responsibility	Date	Version
A Griffiths	Director of Business Services	0.5	15/10/2013
D Foster	Head of Information Governance	0.3	16/09/2013
K Baker	Head of HR	0.2	13/09/2013
M Dunn	Commercial Director	0.2	19/08/2013
B Gregory	Head of Procurement	0.2	12/09/2013

Approved by

This document must be approved by the following people:

Name	Signature	Title	Date	Version
C Vincent		Director of Finance & Services	29/10/2013	0.6

NB. The version of the policy posted on the intranet must be a pdf copy of the signed approved version.

Document Status

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Related Documents

These documents will provide additional information.



Ref no	Doc Reference Number	Title	Version
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Contents

1. Introduction	90
2. Purpose and Scope.....	90
2.1 Purpose	90
2.2 Scope.....	91
3. Policy	91
3.1 Conduct	91
3.2 Breaches of Confidentiality.....	92
3.3 Patient Identifiable Data	93
3.4 Other Contracts.....	93
3.5 Legal Jurisdiction	93
4. Procedures.....	93
4.1 Commencing work within HSCIC	93
4.2 Termination or expiry of a contract with HSCIC.....	94
4.3 Media Enquiries	94
4.4 Public Enquiries	94
4.5 Suppliers.....	94
5. References.....	94
Appendix 1 - Confidentiality Declaration	95

Corporate Confidentiality Policy

1. Introduction

- 1.1 Confidential Information concerning the Health and Social Care Information Centre (HSCIC) or its agents, customers, prospective customers, suppliers, staff or any other third parties, or any Confidential Information that is held or processed by HSCIC may not, at any time, during an individual's employment, engagement, period of work and/or contract with the HSCIC or at any time after, be disclosed directly or indirectly, without appropriate authorisation.
- 1.2 All employees are bound by a legal duty of confidence to protect personal information they may come into contact with during the course of their work. This is not just a requirement of their contractual responsibilities but also a requirement within the Data Protection Act 1998 and the common law of confidentiality
- The aims of this policy are:
- To safeguard all information within the HSCIC
 - To provide guidelines for all individuals working within the organisation
 - To ensure a consistent approach to confidentiality across the HSCIC
- 1.3 This policy relates to standard confidentiality requirements expected of anyone who undertakes work for the HSCIC in whatever capacity. Particular areas of the organisation may require higher levels of confidentiality from staff, examples being roles with access to patient identifiable data (see the [Confidentiality Code of Conduct](#)) or where government security level clearance is required because of access to information which could compromise national security.

2. Purpose and Scope

2.1 Purpose

HSCIC as a public body has a statutory duty to safeguard the Confidential Information it holds, from whatever source, that is not already in the public domain.

The aim of this policy is:

- To set out the principles that must be observed when dealing with Confidential Information not already in the public domain
- To provide all individuals working within or for the HSCIC access to the documents which set out the laws, codes of practice and procedures relating to confidentiality and which apply to them. These include:
 - Data Protection Act 1998
 - The Public Interest Disclosure Act 1998
 - The Computer Misuse Act 1990
 - HSCIC Confidentiality Code of Conduct
 - HSCIC Whistleblowing Policy
 - HSCIC Clear Desk Policy
 - HSCIC Corporate Information Security Policy
 - HSCIC Document & Records Management Policy
 - HSCIC Password Policy
 - HSCIC Code of Business Conduct
 - HSCIC Acceptable Use of IT Policy

(References to any legislation shall be construed as references to legislation as from time to time amended, re-enacted or consolidated) Access to these documents can be found within References, Section 5.

2.2 Scope

This policy applies to any individual, company or organisation, in any capacity, working within and/or for and/or providing services to the HSCIC including, without limitation, all employees of the HSCIC, Department of Health and, workers, individuals on fixed term contracts, interim resource, secondees, volunteers, temporary and permanent contractors, agency workers, temporary administrative resource and/or any other third party providing services to HSCIC. Information may be held on media such as paper, CD/DVD, USB sticks, computer file or printout, laptops, palmtops, mobile phones, digital cameras and may also be verbal. The policy applies to Confidential Information irrespective of its location.

3. Policy

3.1 Conduct

It is a requirement that any individual, company and firm to which this Policy applies shall not at any time during the period they work for or within or provide services to the HSCIC nor at any time after its termination, except for an approved purpose of HSCIC, directly or indirectly use or disclose Confidential Information relating to HSCIC or its agents, customers, prospective customers, suppliers or any other third parties or use or disclose Confidential Information that is held or processed by HSCIC.

For the purposes of this Policy, Confidential Information shall include any Confidential Information relating to HSCIC and/or its agents, customers, prospective customers, patients, suppliers or any other third parties connected with HSCIC and in particular shall include, without limitation:

- Ideas/programme plans/forecasts/risks/issues
- Trade secrets
- Business methods and business design
- Finance/budget planning/business cases
- Prices and pricing structures
- Sources of supply and costs of equipment and/or software
- Prospective business opportunities in general
- Computer programs and/or software adapted or used
- Policy Advice and strategy
- Corporate or personnel information
- Contractual and confidential supplier information
- Patient and GP data and that of associated Health Organisations

This includes, in the case of documents or other written materials or any materials in electronic format, whether or not they are or were marked as confidential and whether or not, in the case of other information, such information is identified or treated by HSCIC as being confidential.

All individuals must act in HSCIC's best interest at all times regarding the appropriate controls over the maintenance of confidential information.

Individuals shall not be restrained from using or disclosing any Confidential Information which:

- They are authorised to use or disclose by HSCIC; and/or

- Has entered the public domain unless it enters the public domain as a result of an unauthorised disclosure by the individual; and/or
- Has entered the public domain by an authorised disclosure for an unauthorised purpose by the individual or anyone else employed or engaged by HSCIC; and/or
- They are required to disclose by law; and/or
- They are entitled to disclose under the Public Interest Disclosure Act 1998 provided that the disclosure is made in an appropriate way to an appropriate person having regard to the provisions of that Act. (Please see HSCIC Whistleblowing Policy [\[Link\]](#))

All individuals must:

- Exercise all due care and diligence to prevent unauthorised disclosure of confidential information;
- Ensure access to confidential information is on a need-to-know basis;
- Limit information disclosed to only what is needed for that purpose;
- Disclose information using secure channels. Please see the Safe Haven Procedure[<link>](#) for further details;
- Ensure that recipients of Confidential Information disclosed to them are aware of their responsibility to maintain it's confidentiality;
- Respect the confidentiality of information disclosed which has been given to them in confidence;
- Ensure the physical security of all confidential documents and/or media, including storage of files on PCs. Confidential information must never be unattended and should be secure when not in use. (Please refer to HSCIC Clear Desk Policy and Corporate Information Security Policy)
- Ensure unwanted printouts containing confidential information must be either shredded or put into a confidential waste bin. Discs, tapes, printouts and fax messages must be filed and locked away when not in use.
- Not disclose passwords to anyone, including colleagues. Staff must not use someone else's password to gain unauthorised access to information. (Please refer to HSCIC Password Policy)
- Ensure that they understand, uphold and apply the appropriate information within the confines of the following documentation, but not limited to:
 - Data Protection Act 1998
 - The Public Interest Disclosure Act 1998
 - The Computer Misuse Act 1990. (Please see section 5)

All individuals will be required to comply with this policy whilst working within HSCIC and thereafter for as long as the information remains Confidential Information. It is only when the information has entered the public domain in an authorised fashion that the information can be classed as no longer confidential.

If an individual is unclear if information should be classified as confidential, they must discuss the issue with their manager who will offer advice.

3.2 Breaches of Confidentiality

It is important to HSCIC to protect its legitimate business interests and in particular its Confidential Information. Breaches of confidentiality, of any sort, including breach of this Policy will be regarded as serious misconduct and may result in:

- Dismissal
- Termination of secondment for Secondees and a request for their employer to apply their internal disciplinary procedures

- Termination of contracts for interim resources, temporary workers, agency workers and/or contractors
- Legal action being taken against the discloser and/or any other third party

If an individual unintentionally divulges Confidential Information, or they are aware of any individual doing so, he or she must report it immediately to their line manager and/or to Information Governance or the Head of Corporate Assurance.

Losses of personal data should be assessed against the Serious Incident Requiring Investigation (SIRI) guidance and with assistance from the Information Governance team

3.3 Patient Identifiable Data

Access to patient identifiable data is only permissible with a smartcard, possession of which is authorised by the HSCIC Registration Authority. All Individuals who require patient identifiable data must apply to the HSCIC Registration Authority.

All staff within the HSCIC that require to access to live data in support of testing, incident management or defect resolution must be in possession of a live smartcard and have a record of Caldicott approval.

For further information on the confidentiality of Patient Identifiable Data please refer to the [Confidentiality Code of Conduct](#).

3.4 Other Contracts

This Policy is in addition to any confidentiality provision within any contract that a person, company or firm to which this Policy applies may have entered into with the HSCIC.

3.5 Legal Jurisdiction

This Policy shall be construed in accordance with and governed by the law of England and Wales and the parties shall submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Policy.

4. Procedures

4.1 Commencing work within HSCIC

It is compulsory that all individuals working for and/or within and/or providing services to the HSCIC personally accept and/or sign the Confidentiality Policy prior to commencing work on his or her first day. The Confidentiality Policy must be understood and the declaration accepted and/or signed prior to accessing any HSCIC systems or documentation. Individuals who are not given immediate access to the HSCIC network must sign a hard copy declaration. All other individuals must accept the policy when logging onto the HSCIC network for the first time. Failure to do so will delay the start of their appointment until the declaration is accepted or signed.

It is compulsory that all existing individuals working for and/or within and/or providing services to HSCIC understand and accept this Policy. Individuals must accept the Policy when next logging onto HSCIC systems and those individuals who will not access HSCIC networks and systems and therefore cannot accept an electronic declaration, must sign a hard copy

declaration. Any significant future amendments to the policy will require all individuals working within HSCIC to accept the revised version by the above methods.

4.2 Termination or expiry of a contract with HSCIC

On leaving HSCIC any copies of software, documents or correspondence, diaries, documents, plans, specifications or any other paper relevant to HSCIC such as may be contained in magnetic media or other forms of computer storage, videos, tapes (whether or not prepared or produced by the individual) and any copies thereof must be returned to HSCIC's possession and under no circumstances must the leaver take this information with them. As an exception, clinicians who are working within the wider NHS must seek authority from their HSCIC line manager, if after their secondment/fixed term contract expires, and only on agreement that there is a requirement to do so, use HSCIC information within their role within the NHS. All individuals that have left HSCIC are bound by the Confidentiality Policy that was in publication at the time of their departure.

4.3 Media Enquiries

All enquiries from the press must be referred to HSCIC Communications at media@hscic.gov.uk

4.4 Public Enquiries

All public enquiries must be referred to HSCIC Contact Centre at enquiries@hscic.gov.uk

4.5 Suppliers

Enquiries from suppliers, commercial companies & legal firms should be referred to the HSCIC via the commercial email inbox; commercialmanagement@hscic.gov.uk

5. References

Data Protection Act 1998
<http://www.opsi.gov.uk/acts/acts1998/19980029.htm>

The Public Interest Disclosure Act 1998
<http://www.opsi.gov.uk/acts/acts1998/80023--a.htm>

The Computer Misuse Act 1990
http://www.opsi.gov.uk/acts/acts1990/Ukpga_19900018_en_1.htm

[HSCIC Whistleblowing Policy](#)

HSCIC Clear Desk Policy

HSCIC Code of Business Conduct

HSCIC Corporate Information Security Policy

HSCIC Document & Records Management Policy

Appendix 1 - Confidentiality Declaration

Confidentiality Declaration

To be completed by all individuals, companies and/or firms to which this Policy applies.
Personal Details

Name:	
Position:	
Department:	
Employment type: (Enter Permanent, fixed term contract, interim resources, secondee or other)	
Company/Organisation (if an Interim Resource, temp or Secondee)	
Telephone number:	
Line Manager:	

Declarations

I confirm I have read and understood the Health and Social Care Information Centre Confidentiality Policy. I agree to adhere to the requirements laid out in that Policy.

Signed.....Date.....

Annex I – HSCIC Board Terms of Reference - Draft

Health and Social Care Information Centre
(HSCIC)

Board Terms of Reference

Date: 2013-14

Contents

CONTENTS

1	Constitution	Error! Bookmark not defined.
2	Membership	Error! Bookmark not defined.
3	Attendance	98
4	Access	Error! Bookmark not defined.
5	Frequency	Error! Bookmark not defined.
6	Appendix A: Current Board Members	Error! Bookmark not defined.

1. Constitution

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.

2. Membership

The Board of the HSCIC 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 but the appointment may not be made without the approval of the Secretary of State. The first chief executive is to be appointed by the Secretary of State.

Meetings are quorate when at least one-third of the membership is present (including at least two non-executives, one of whom must be the Chair or Vice-Chair).

Further details including the conduct of meetings and the roles and responsibilities of the Chair, Board and Chief Executive are set out in the Corporate Governance Manual.

The HSCIC Board Secretary will minute the Board meetings.

3. Attendance

Board meetings will be attended by the members of the Executive Management Team who do not have Board voting rights, in addition to Board members

Representatives of the Department of Health Sponsor may attend the meetings as observer.

4. Access

Admission of the Press and Public – 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 or Committee 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)

Members of the public wishing to attend must register their interest with Annabelle McGuire, the Board Secretary, at annabelle.mcguire@hscic.gov.uk at least 3 working days before the meeting date.

Agendas/papers will be available on the website 5 working days before the meeting date. Queries about the content of the papers can be raised by notifying the Board Secretary (as above) beforehand so that these may be covered as part of the Board discussion. A short time will also be built in at the end of each meeting to take questions from any observers, that have been notified to the Board Secretary prior to the meeting.

From time to time, the Board might need to consider commercial or staff in confidence agenda items that cannot be discussed in public. In that event a private session will also be held without any observers.

5. Frequency

The Board will meet 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.

APPENDIX A: Current Members of the Board

The Non- Executive Board Members

- Kingsley Manning - Chair
- Tony Allen - Deputy Chair
- Sir Ian Andrews
- Lucinda Bolton
- Sir Nick Partridge
- Mike Pearson

i. The Executive Directors (with voting rights):

- Alan Perkins - CEO
- Carl Vincent - Director of Finance and Corporate Services
- Dr Mark Davies - Director of Clinical and Public Assurance
- Rachael Allsop - Director of Human Resources and Transformation
- Max Jones - Director of Information and Data Services

ii. Other members of Executive Management Team (In attendance at Board without voting rights):

- Tom Denwood - National LSP Programme Director
- James Hawkins - Director of Programme Delivery
- Clare Sanderson - Director of Information Assurance
- Rob Shaw - Director of Operations and Technical Services

Annex J – Assurance & Risk Committee Terms of Reference – Draft

Contents

CONTENT

1	Introduction	102
2	Constitution	102
3	Membership	102
4	Attendance	102
5	Access	102
6	Frequency	102
7	Authority	103
8	Reporting	4

1. Introduction

These terms of reference have been produced based on the specimen good practice versions provided in both the Department of Health and HM Treasury Audit Committee Handbooks. They have been slightly amended to reflect the views and wishes of the Committee members.

2. Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Assurance and Risk Committee.

3. Membership

The Assurance and Risk Committee will be appointed by the Board from amongst the independent non-executive Directors of the HSCIC and will comprise four members. A quorum will be three members – one of whom must be the Committee Chair.

The Chair of the HSCIC Board will not be a member of the Assurance and Risk Committee. The Board will appoint the Chair of the Committee from amongst the independent non-executive Directors and this appointment will be reviewed on an annual basis.

4. Attendance

The Chief Executive, Director of Finance and Corporate Services, Director of Information Assurance (to cover information governance and information risks) and representatives from Internal and External Audit, will normally attend the committee meetings.

However, at least once a year the Assurance and Risk Committee may wish to meet with External and Internal Auditors without any Executive Board Director present. A representative from the Department of Health sponsor team will also be invited to attend.

The Secretary of the Assurance and Risk Committee will be the HSCIC Board Secretary.

5. Access

Representatives of Internal and External audit and the Local Counter Fraud Specialist will have free and confidential access to the Chair of the Committee.

6. Frequency

Meetings shall be held not less than four times a year, but may meet more regularly if circumstances require. The External or Internal Auditors may request a meeting if they consider that one is necessary.

7. Authority

The Assurance and Risk Committee is authorised by the Board:

- To investigate any activity within the terms of reference. It is authorised to seek any information that it requires from any employee and all employees are directed to cooperate with any request made by the Assurance and Risk 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.

8. Reporting

The minutes of the Assurance and Risk Committee meetings will be formally recorded and submitted to the Board.

The Assurance and Risk Committee will report to the Board annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and adequacy of risk management in the organisation and the integration of governance arrangements.

The Assurance and Risk Committee will annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

Annex K – Remuneration Committee Terms of Reference – Draft

Contents

CONTENTS

1	Constitution	105
2	Membership	105
3	Attendance	105
4	Authority and Responsibilities	Error! Bookmark not defined.
5	Review	105

1. Constitution

The HSCIC Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee. The Remuneration Committee will meet as required by the Chair of the Board but this would normally be at least three times a year.

2. Membership

The Remuneration Committee will be appointed by the Board from amongst the independent non-executive Directors of the HSCIC and will consist of the Board Chair, who will act as Chair of the Committee and 3 non-executive Directors. A quorum shall be the Chair and 2 non-executive directors.

3. Attendance

The Chief Executive and Director of HR and Transformation will attend the meetings in an advisory capacity but will withdraw when a matter concerning his/her remuneration package or other matter of individual confidentiality is being discussed or documented.

The Head of the Executive Office will attend to minute the meetings but will be required to withdraw when requested by the Chair.

4. Review

The membership and terms of reference of the Remuneration Committee will be reviewed annually.

5. Reporting

The minutes of the Remuneration Committee meetings will be formally recorded and submitted to the Board.

The Remuneration Committee will report to the Board annually on its work and will annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

ANNEX L - HSCIC LEVELS OF DELEGATED AUTHORITY

19/09/2013

All new commitments that are materially novel, contentious or high risk must be approved by the Board irrespective of value (at EMT director discretion)

**HSCIC controlled expenditure
(administrative and programme revenue: delegated approval levels)**

	HSCIC Board	CEO	Director Finance & Corporate Services	Other EMT Directors	Assistant Director Finance	Director of Business Services	Head of Procurement	Programme Directors/ Function Heads	Cost Centre Budget Managers
Administrative Expenditure: includes new contracts, contract extensions, CCNs, business cases, POs & ICT spend	Over £2m	Up to £2m	Up to £250k	Up to £250k	Up to £250k	Up to £250k		Up to £100k	Up to £100k
Single Tender	Over £100k	Up to £100k	Up to £50k				Up to £25k		
Memorandum of Understanding (MoU). Service Level Agreement /Sales Contract		over £250k	Up to £250k						
Professional Services Business Cases (interim managers, specialist contractors & other professional services) **		Endorsed by CEO- authority to proceed rests with DH							
Consultancy Services		Up to £20k							
Administrative invoices Non POs								Over £500k	Up to £500k
Administrative invoices with POs								Over £500k	Up to £500k

	HSCIC Board	CEO	Director Finance & Corporate Services	Other EMT Directors	Assistant Director Finance	Director of Business Services	Head of Procurement	Programme Directors/ Function Heads	Cost Centre Budget Managers
Staff Loans & Imprests (per person) for advance of travel expenses, season ticket purchase, bicycle purchase			Up to £20k (per person)					Up to £5k (per person)	
i) Staff Redundancy costs ii) Pay in Lieu of Notice	i) up to £100k ii) up to £50k								
Special payments, extra-contractual, extra-statutory, compensation and ex-gratia payments, special severance & retention payments	No delegated authority to HSCIC								
Communications - paid for communications activity, including events, conferences, printing, publications, marketing and advertising (not recruitment)			Up to £20k					Up to £5k*	
Advance Payments	No delegated authority to HSCIC								
Contingent Liabilities (per case) eg guarantees, letters of comfort etc		Up to £250k							
Income (unlimited subject to DH sponsor team agreement)		over £250k	Up to £250k						
* Director of Communications									
** Seek procurement team advice for services funded through external income or approved transition cases									

HSCIC controlled expenditure									
(capital: delegated approval levels)									
	HSCIC Board	CEO	Director Finance & Corporate Services	Other EMT Directors	Assistant Director Finance	Director of Business Services	Head of Procurement	Programme Directors/ Function Directors	Cost Centre Budget Managers
New ICT systems that support administration (whole life costs)	Up to £1m		Up to £500k			Up to £100k			
New ICT systems that support programmes (whole life costs)	Up to £5m		Up to £1m						
Asset Disposal (including formal write off value)			up to £500k						
New property leases, renewals of existing leases, non-exercise of lease break options, new builds, leaseback, freehold sales.	No delegated authority to HSCIC								
Administrative expenditure for capital purchases		Over £500k	Up to £500k	Up to £250k		Up to £250k			

DH controlled expenditure									
(programme delegated endorsement levels)									
	HSCIC Board	CEO	Director Finance & Corporate Services	Other EMT Directors	Assistant Director Finance	Director of Business Services	Head of Procurement	Programme Directors/ Function Heads	Cost Centre Budget Managers
Programme Expenditure: includes strategic outline cases(SOC), outline business cases(OBC), full business cases(FBC) ICT spend approval, advance payments		Any value							
New Contract/Contract Extension/CCN/POR		Over £1m		Up to £1m				Up to £500k	
Escrow/Invoice				Over £500k				Up to £500k	
MoU/Income/Single Tender Justification		Over £250k	Up to £250k						
Professional Services Business Cases		Any value							

Annex M – Procurement Policy

Health and Social Care Information Centre Procurement Policy			
Status		Published	
Document Record ID			
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Person to contact about this policy		Paul Lynch	
Author		Richard Slater	

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0.3	20.03.2013	Amendments based on reviewers comments
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Reviewers

This document has been reviewed by:

Name	Title/Responsibility	Date	Version
Ben Gregory	Head of Procurement	01.10.2013	1.0
Andy Nicholls	Head of Corporate Procurement	20.03.2013	0.3
Trevor Doherty	Director of Finance	01.04.2013	0.3

Approvals

Name	Signature	Title/Responsibility	Date	Version
Trevor Doherty		Director of Finance	01.04.2013	0.3
Ben Gregory		Head of Procurement	01.10.2013	1.0

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Contents

1.0 Introduction	Error! Bookmark not defined.
1.1 Best Practice	Error! Bookmark not defined.
1.2 Whole Life Costs	114
1.3 Supplier Base	Error! Bookmark not defined.
1.4 Contract extensions	Error! Bookmark not defined.
2.0 HSCIC Procurement Thresholds	115
2.1 Purchase of Goods and/or Service Contracts with an estimated whole life value up to £5,000	115
2.2 Purchase of Goods and/or Service Contracts with an estimated whole life value in excess of between £5,001 - £30,000	115
2.3 Purchase of Goods and/or Service Contracts with an estimated whole life value in excess of more than £30,001	116
3.0 Approval Procedure	116
3.1 Business Case	116
3.2 Procurement Strategy	116
3.3 Identifying suitable suppliers	117
4.0 Procurement Exercise Types	117
4.1 Invitation to Quote (ITQ)	117
4.1.1 ITQ Checklist	117
4.1.2 Issuing the Invitation to Quote	118
4.1.3 Assessing the quotes	118
4.1.4 Acceptance of a quote	118
4.1.5 Purchase order form.	118
4.1.6 Retention of records	119
4.2 Invitation to Tender (ITT)	119
4.2.1 ITT Checklist	119
4.2.2 Issuing the ITT	120
4.2.3 Queries from suppliers	120
4.2.4 Evaluating the tenders	120
4.2.5 Awarding the contract	121
4.2.6 Retention of records	121
4.3 Procuring the services of contractors	121
5.0 Service Level Agreement	121
6.0 Post Award	121
6.1 Creating a requisition	122

6.1.1 Payment of Invoices	122
6.2 Contract management and review	122
7.0 Single Tenders	123

1.0 Introduction

This guide outlines the core purchase to pay processes to be followed in all circumstances where you require goods and/or services to be procured from an external supplier on behalf of the HSCIC from 1st April 2013.

With the establishment of the HSCIC as an Executive Non Departmental Public Body from 1st April 2013 there will be a significant transactional increase in lower level purchases.

As a result, it is anticipated that during 2013/14 the HSCIC will introduce a Government Procurement Card (GPC) for the purpose of purchasing goods or services up to the value of £5,000, although this is subject to change.

GPC will not be permitted to purchase alternative goods or services which are available from HSCIC contracts or Government Procurement Service Frameworks.

1.1 Best Practice

The HSCIC Transformation Board has approved this policy and it is to be adhered to without exception.

Why we need this policy

- We have a duty to ensure that we spend the tax payer's money wisely, by proactively inviting competition, and deriving best value for money.
- We are obliged to comply with all applicable EU/UK law (especially public sector procurement /competition law). There can be significant consequences to not doing this.
- The Department of Health have established policies and guidelines with respect to procurement. As an ALB of the Department of Health, we should comply with these in principle.
- We have a responsibility to capture and provide appropriate management information – this as part of the process to ensure that our dealings will stand up to the rigors of audit/public scrutiny but, also to aid with the successful management of the organisation.

Freedom of Information Act requires us to provide details of our Procurement Policy if requested.

1.2 Whole Life Costs

In this document, and in general when it comes to procurement, when contract value or costs of a contract/goods/service are discussed, what is actually meant is the Whole Life Costs of the contract. The following provides staff with a definition of what this means in practice.

Whole life costs are the total costs of a product or service over its lifetime including associated or indirect costs.

These costs cover everything from implementation following purchase to end of life disposal or exit strategy.

For the purchase of goods whole life costs include purchase, hire or lease costs but also include delivery, installation and training costs. If the goods purchased required support and maintenance these would also be included. Should the goods require secure disposal or removal arrangements (i.e. end of life) these would also come under whole life costs.

The whole life cost of a Service may be difficult to establish but there are always common features including: implementation costs, time and materials, expenses, purchase of goods (e.g. software, hardware) and their associated costs (e.g. support and maintenance), Service support charges, whilst employment costs (i.e. TUPE) may apply. There can also be exit costs associated with some Services.

Should additional and/or related goods/services be purchased through a Contract, are of a similar nature or design to the original purchase and were not specified in the original order/specification these would also be considered to be part of the whole life costs.

1.3 Supplier Base

The HSCIC have set threshold values that determine the type of procurement that must be undertaken when sourcing any requirement and establishes the degree of direct involvement of the Procurement Team (see page 5).

If it is possible to use an existing contract or Government Procurement Service (GPS) framework agreement, you will save both the time and cost of running a procurement exercise.

If you are unsure of the existing contracts and GPS frameworks that are in place then please contact a member of the Procurement Team who will provide you with this information.

1.4 Contract extensions

It is a common misconception that any contract can be extended to finish a job that has overrun or delayed due to external or unforeseen circumstances. It can only be extended if there is provision to do so in the original contract and cannot be extended beyond the duration length of the original contract.

Furthermore, you should not assume that existing contracts and purchasing arrangements will adequately reflect future requirements. When considering the renewal, you should re-examine the base requirements and determine whether they are accurate or need updating, which should also take into account the views of new suppliers.

All extensions will be reviewed closely by Head of Procurement / Director of Finance as appropriate to ensure that value for money has been achieved.

2.0 HSCIC Procurement Thresholds

2.1 Purchase of Goods and/or Service Contracts with an estimated whole life value up to £5,000

Business areas within the HSCIC have the delegated authority to procure goods and services up to a value of £5,000 (excl VAT) after obtaining written/emailed approval for the expenditure from the relevant Budget Holder – See flow chart on page 14

In order to avoid unintentionally creating a legally binding contract by word, action or in writing, all suppliers invited to quote/tender must be issued with a copy of the HSCIC Standard Terms and Conditions and informed that any contract offered will be under these terms

Award of contracts can only be signed by the relevant HSCIC Contractual Delegation Holder (Please note: due to the Transition process this is subject to confirmation and change).

2.2 Purchase of Goods and/or Service Contracts with an estimated whole life value in excess of between £5,001 - £30,000

- You must obtain emailed authorisation from the Budget Holder to confirm the need for the requirement and that it is in budget before engaging with a supplier
- Prior to placing any order/award of contract you must check with Procurement if the HSCIC has used the supplier(s) in the past. If so, then procurement will check whether the HSCIC has spent close to the EU threshold on aggregated services with the supplier(s) over the last few years.
- Should the above be approved, you must obtain **3 written quotes** from suppliers. Be clear in your description of your requirement and any timescales that you are expecting the supplier to adhere to. It is advisable that you do this via e-mail.
- Inform the supplier that the HSCIC Standard Terms and Conditions will apply (contact procurement for a copy) unless a Government Procurement Service framework has been used.
- Keep a written record of the date and contact details of who you have spoken to, along with details of any prices, quantities and timescales that you have discussed.
- Discuss and agree the order with the Budget Holder and obtain their approval of the expenditure in writing or by email.
- Place the order with the supplier, in writing, preferably by email, which confirms the price, quantity, delivery date etc.
- You must keep a documented record of all actions undertaken. You may be asked to provide this record for audit inspection.

2.3 Purchase of Goods and/or Service Contracts with an estimated whole life value in excess of more than £30,001

A formal procurement exercise will be undertaken by the HSCIC Procurement Team. This will require a specification of service and/or goods to be delivered in conjunction with supporting materials, on which the Procurement Team can advise.

Any proposed contract with an estimated whole life value in excess of the current **EU Thresholds** (£173,934) may require the undertaking of a European Tender, otherwise known as an OJEU (Official Journal of the European Union), unless procured via a government approved framework (Procurement can provide additional information).

OJEU procurements usually take between 4-7 months to complete (dependent on the complexity). Please ensure that you factor these timescales into your delivery timetable.

Additionally, please note that the HSCIC cannot procure from sole traders.

3.0 Approval Procedure

3.1 Business Case

For any purchases between the value of £5,001 and £30,000 you must send an email to the Budget Holder outlining a business case for the expenditure.

The business case needs to be commensurate to the complexity and value of the requirement, but as a minimum it should outline the following:

- A brief description of the business need
- Why it is needed now
- Key benefits to be realised
- Estimated total costs
- Anticipated timescales for delivery/completion.

The completed business case must be approved by the relevant Budget Holder, who also has to confirm that the requirement is in budget, prior to engaging with suppliers

3.2 Procurement Strategy

Once the business case has been approved (in writing), the next step is to determine how the goods/services will be procured.

As a rule of thumb – If you are procuring **goods**, you are able to define your requirements and the only criteria you will be using to assess value for money is the price offered by invited suppliers, you must follow the Invitation to Quote process (see below).

If you are procuring **services**, where there will be an evaluation of suppliers' responses against a written specification, and the criteria used for assessing responses will be a combination of quality/technical/price, then you must follow the Invitation to Tender (ITT) process (see below).

Where there is any uncertainty of which process to use you must seek advice from the Procurement Team.

3.3 Identifying suitable suppliers

You should contact the Procurement Team for advice on sourcing suitable suppliers. There may be an existing contract or an approved GPS Framework which could be used.

Procurement will also check whether the HSCIC has spent close to the EU threshold on aggregated services with that supplier over the last few years

Please note that the HSCIC does not procure from sole traders.

4.0 Procurement Exercise Types

4.1 Invitation to Quote (ITQ)

ITQs are best suited for the procurement of goods where price is the only criteria for determining value for money.

In these circumstances you must issue a written specification detailing the requirement. The specification must include:

4.1.1 ITQ Checklist

Details of the requirement – including any technical details of the requirement.

Standards – Set out any standards required for the goods – i.e. health and safety, electrical, ISO standards etc. Be careful when specifying standards as EU procurement rules require contracting authorities to; –

- specify by reference to national standards which implement European standards, where relevant; and
- consider offers which purport to offer equivalent functionality or performance even though they do not conform to the standard in question. The burden of proving technical equivalence in this case will fall on the supplier.

Training requirements (if appropriate)

Quantity required

Delivery date/s

Costs – set out how you wish the suppliers to present their costs.

4.1.2 Issuing the Invitation to Quote

Having identified at least three suitable suppliers you must issue the invitation to quote, which must include your specification and a copy of the HSCIC Standard Terms and Conditions.

It is good practice to ask the supplier to acknowledge receipt of the invitation to quote.

4.1.3 Assessing the quotes

Having received the quotes from the suppliers you must then carefully assess their response. This does not necessarily mean obtaining the requirement for the lowest possible price, your assessment should be based on obtaining value for money, which is a judgement based on the quality and other relevant areas and the best combination of the cost of the requirement, spread over its whole lifetime.

There may be occasions where only one of the invited suppliers submits a response. Providing that the quote meets the requirements and offers value for money, you may either accept the quote, or alternatively attempt to source and invite another supplier to quote, in order to provide a comparison.

4.1.4 Acceptance of a quote

Having identified which quote offers the best value for money you must confirm the cost with the Budget Holder and obtain their emailed confirmation that they are content for the quote to be accepted.

You can then formally accept the quote, in writing or by email, confirming the price, quantity, delivery dates etc.

The supplier will need to accept the HSCIC Standard Terms and Conditions or GPS Framework Terms and Conditions dependent on the route to which it was procured.

You will also need to notify the unsuccessful suppliers of the outcome.

4.1.5 Purchase order form.

You must complete a requisition request for a Purchase Order (this form can be found on the procurement intranet page) and send it to the Procurement Team for processing.

4.1.6 Retention of records

You must keep hard copies of all documents and emails relating to the procurement for a period of seven years.

The records can be kept in remote storage, but you are responsible for ensuring that they are available for recall for audit inspection if required

4.2 Invitation to Tender (ITT)

ITTs are best suited for the procurement of services and higher value contracts.

ITTs are very different from quotes. This is because the ITT requires potential suppliers to detail how they intend to meet the specification and the price that they are proposing to charge.

This requires us to formally evaluate all tenders against a set of evaluation criteria (which **must** be stated in the ITT).

You must seek the advice of the Procurement Team before you issue an ITT to suppliers.

4.2.1 ITT Checklist

All ITTs must include:

Specification of requirements

The specification should be commensurate to the complexity and value of the requirement. Some suggested headings for your specification are:

Background – Sets the context to the requirement

The requirement – Provide as much detail as possible on your requirement

Essential skills & experience – Detail any essential skills and experience that you are expecting a potential supplier to possess.

Format for quotes – Detail any particular format that you require for the quote – i.e. MS Word/Excel, do you want to set any page or word limits?

Instructions for suppliers – How do you want suppliers to submit their quotes (email or post?), how do you want them to provide their proposed price, i.e. fixed cost, by quantity? Deadline for receipt of quotes?

Response structure -	State what information you want the suppliers to provide in their response which will allow you to evaluate their proposal
Evaluation process -	You must inform the suppliers how you will be evaluating their proposal and the weightings used i.e. 60% on the ability to meet the requirements of the specification and 40% on price.
Timescale for delivery -	State whether there are any deadlines which need to be adhered to
Sign off requirements -	Does the requirement need sign off on delivery of the product or service? If so then please state

Non-Canvassing Certificate

Certificate of Non-Collusive Tendering

A copy of the Terms & Conditions which will apply to the contract

A pricing matrix

The Procurement Team will provide an ITT Template which will include all of the required documents and advice on completion.

4.2.2 Issuing the ITT

Having identified at least three suitable suppliers you must issue the ITT with a clearly stated deadline for the return of completed tenders.

It is good practice to ask the supplier to acknowledge receipt of the ITT.

4.2.3 Queries from suppliers

Suppliers must submit queries concerning the ITT by email by a stated deadline.

A copy of the question (anonymised) and the response must be issued to each supplier.

4.2.4 Evaluating the tenders

Having received the completed tenders from the suppliers by the stated deadline, you must then carefully evaluate their tenders using the evaluation criteria stated in the ITT. **You must not introduce new or sub evaluation criteria.**

Procurement can also provide you with an evaluation scorecard.

The supplier with the highest overall score is the winner. This does not necessarily mean that the supplier who submitted the lowest price wins.

The successful and unsuccessful suppliers should be notified of the outcome of their tenders at the same point.

4.2.5 Awarding the contract

You must issue formal award letter notifying the successful supplier that we accept their tender.

The Procurement Team will provide a suitable template or generate this on a teams behalf.

The supplier must return a signed copy of the award letter before any work commences on the contract.

4.2.6 Retention of records

You must keep hard copies of all documents and emails relating to the procurement for a period of seven years.

The records can be kept in remote storage, but you are responsible for ensuring that they available for recall for audit inspection if required

4.3 Procuring the services of contractors

All requests for contractors and consultants need to be made via the procurement department regardless of value. A Professional Services Business Case must be completed via Procurement and Finance before it is submitted to DH and Ministers for approval. The process can take between four to six to ten weeks to complete dependent on complexity. Following this the appropriate Contractor request form will need to be completed (this can be found on the procurement intranet page).

Please also see the procurement intranet page for the process to bring on temporary staff.

5.0 Service Level Agreement

Agreements between public sector organisations are usually called Services Level Agreements (SLA). These are not legally enforceable. Through SLA's and Key Performance Indicators you can effectively manage appropriate supplier performance.

6.0 Post Award

6.1 Creating a requisition

All orders require a SBS generated Purchase Order (PO).

When the business units are generating Purchase Order requisitions the required evidence demonstrating that the procurement guidance has been followed (ensuring best value has been obtained and/or central contracts utilised) should be attached (in SBS).

The business units must ensure that they have Budget Manager approval prior to generating a requisition. Procurement will perform due diligence on all Purchase Orders in order to ensure policy and appropriate routes to market have been followed.

Once the requisition has been approved, Procurement will create a purchase order and provide the requestor with the PO number (if requested).

****NB: NO ORDERS MUST BE PLACED BEFORE A VALID PO NUMBER HAS BEEN ISSUED BY A MEMBER OF PROCUREMENT, NO GOODS OR SERVICES SHOULD BE PAID IN ADVANCE OF DELIVERY****

6.1.1 Payment of Invoices

Following the issue of the appropriate PO, as per the above processes, you must instruct the supplier to submit their invoice to:

Health and Social Care Information Centre,
T56 Payables A125,
Phoenix House,
Topcliffe lane,
Wakefield,
West Yorkshire,
WF3 1WE

6.2 Contract management and review

For procured goods and services up to the value of £30,000 the business area should keep the original tenders (unsuccessful as well as successful), and completed evaluation records, on a registered file. Other people, such as the auditors, may then need to refer to the procurement records, and so you should keep them as clear as possible. You should make notes of all relevant issues, including phone conversations, so that it is easy to keep track of the process. However, do not keep every draft of every document, as this can be confusing.

For contracts of any value the Procurement Departments involvement usually ends with the debriefings. So, it is then the business areas task to manage and review the contract. If any contractual issues do arise, Procurement can give you advice and support.

7.0 Single Tender Action – the award of a contract without competition

- Regarded as an unfair practice by the EU Commission.
- Single tender actions can only be justified in exceptional circumstances. The only exceptions allowable are:
 1. the timescales genuinely precludes competitive tendering but failure to plan the work properly would not be justification for a single tender
 2. specialist expertise is required and is available from only one source
 3. the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate
 4. there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.
- All single tenders over approvals are as follows (please note due to the Transition process the below are subject to change):
 - £0k - £25k - Head of Procurement
 - £25k - £50k – Director of Finance
 - £50k or more – HSCIC Board

For further advice in the relation this Procurement Policy or if you wish to seek clarification on any of its content then please contact a member of the Procurement Department.

Procurement Levels of Action

