

## Health and Social Care information Centre (ENDPB)

### Board Meeting

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| Title of Paper:                      | Corporate Governance Manual for new HSCIC                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Board meeting date:                  | 3 April 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Agenda Item No:                      | HSCIC 13 01 03(c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Paper presented by:                  | Candy Morris, Interim Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Paper prepared by:                   | Transition Governance and Sponsorship team                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Paper approved by (Sponsor Director) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Purpose of the paper:                | <p>To share:</p> <ul style="list-style-type: none"><li>▪ the corporate governance manual for the new HSCIC</li><li>▪ Board terms of reference and code of practice</li><li>▪ Terms of Reference of Assurance and Risk Committee</li><li>▪ Terms of reference for Remuneration Committee</li></ul> <p>The corporate governance manual contains some drafting notes that need to be clarified but the Board is asked to approve the documents in principle subject to resolution of these points.</p> |
| Actions required by the Board:       | To approve subject to resolution of outstanding issues with the corporate governance manual                                                                                                                                                                                                                                                                                                                                                                                                         |

**Health and Social Care Information Centre (HSCIC)**

**CORPORATE GOVERNANCE MANUAL**

2013

**Amendment History:**

| Version | Date      | Amendment History                                                             |
|---------|-----------|-------------------------------------------------------------------------------|
| 0.1     | 2/8/2012  | Minor changes to first draft                                                  |
| 0.2     | 1/10/2012 | Minor changes made                                                            |
| 0.3     | 3/10/12   | Number of changes made including inserting code of practice for Board members |
| 0.4     | Oct - Dec | Number of changes made                                                        |
| 0.5     | 22/1/13   | Further updates to standards of business conduct                              |
| 1.0     |           |                                                                               |
|         |           |                                                                               |

**Reviewers:**

This document has been reviewed by:

| Name             | Title / Responsibility                          | Date       | Version |
|------------------|-------------------------------------------------|------------|---------|
| Ruth Miller      | HSCIC, Head of Executive Office/Board Secretary | 2/8/2012   | 0.1     |
| David Wilmshurst | CFH, Head of BP&CG                              | 1/10/2012  | 0.2     |
| Ruth Miller      | HSCIC, Head of Executive Office/Board Secretary | 1/10/2012  | 0.2     |
| Stephen Leathley | HSCIC, Head of Finance                          | 30/10/2012 | 0.3     |
| Ruth Miller      | HSCIC, Head of Executive Office/Board Secretary |            | 0.4     |
| Ruth Miller      | HSCIC, Head of Executive Office/Board Secretary | 22/1/13    | 0.5     |

**Approvals:**

This document has been approved by:

| Name | Signature | Title / Responsibility | Date | Version |
|------|-----------|------------------------|------|---------|
|      |           |                        |      |         |
|      |           |                        |      |         |

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**Related Documents:**

These documents will provide additional information.

| Ref no | Doc Reference Number | Title | Version |
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## **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 way.

## **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.

## **Governance Framework**

The HSCIC is led by a Board which is the senior decision-making structure in the organisation and which is accountable to the public, 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 Departmental Accounting Officer. These arrangements are also confirmed in the Framework Document which governs the relationship between the HSCIC and the Department of Health.

Board members have corporate responsibility for ensuring that HSCIC complies with any 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 attached Standing Orders and Code of Practice for Board members (Annex A to Standing Orders)

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 Non- Executive Board Members are:**

Candy Morris, Chair  
Tony Allen, Deputy Chair  
Sir Ian Andrews  
Lucinda Bolton  
Sir Nick Partridge  
Mike Pearson

The Executive Team (led by the CEO) 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 framework as agreed by the Board.

**The Executive Directors are:**

Alan Perkins, CEO

Trevor Doherty, 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 Programme and Service Delivery

**The manual**

This manual covers five main sections:

Section A - defines some of the key terms in the document.

Section B - **Standing orders** describe how the Board of Directors organises itself, how it conducts meetings and how it makes and disseminates its decisions.

Section C – **Reservation of Powers to the Board and Scheme of Delegation** describes the decisions and responsibilities reserved to the Board of Directors, individual directors and those delegated to committees of the Board and details the level of authority delegated to individuals with responsibility for the day-to-day operation of the organisation.

Section D - **Standing Financial Instructions** detail the financial responsibilities, policies and procedures adopted by the organisation. They should be used in conjunction with the Scheme of Delegation. They are designed to ensure that the HSCIC's financial transactions are carried out in accordance with the law and Government policy.

Section E - **Standards of Business/Personal Conduct – including Declaration of Interests and Acceptance of Hospitality**

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 material and, where necessary, be familiar with the detailed provisions.

**Failure by a member of staff to comply with this material is potentially a disciplinary offence which could result in dismissal in cases of gross misconduct.**

## Section A – 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.

'Establishment Order' means the HSCIC (Establishment and Constitution) Order (SI 2005/499). **[DN – to be revised in line with secondary legislation]**

"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 & 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"

'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.

'SOs' means Standing Orders.

'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.

## Insert Index when content finalised

### Section B – Standing Orders

#### **Board Membership and Conduct of Meetings**

3. All business will be conducted in the name of the HSCIC.
4. Appointments of the Chair and Board members, as laid out in Schedule 18 of the Health and Social Care Act 2012 and the Health and Social Care Information Centre Regulations **[DN – to be confirmed when known]** 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.
5. The powers of the HSCIC established under statute are exercised by the Board, meeting in public session, except as otherwise provided for in para 16.
6. 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 'Reservation of Powers to the Board and Scheme of Delegation' and have effect as if incorporated into these SOs.
7. 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 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.

#### **[DN – all refs to regulations to be checked]**

8. 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 regulation ? (termination of tenure of office), 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 regulation ? (disqualification for appointment), the Chair and any non-officer member will on the termination of his office, be eligible for re-appointment.
9. 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.

10. 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 where he 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.
11. The Chair or a non-officer member may resign his office at any time during his term of office by giving notice in writing to the Secretary of State.
12. 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 his tenure of office immediately by giving him notice in writing to that effect.
13. 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 he is 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.
14. Where a person has been appointed to be the Chair or a non-officer member, and:
  - he becomes disqualified for appointment under regulation ?, the Secretary of State shall notify him in writing of such disqualification; or
  - it comes to the notice of the Secretary of State that at the time of appointment he was so disqualified, he will declare that the person in question was not duly appointed and notify him in writing to that effect and upon receipt of any such notification, their tenure of office, if any, will be terminated and he will cease to act as such Chair or non-officer member.
15. If it appears to the Secretary of State that the Chair or a non-officer member has failed to comply with regulation ? (disability on account of pecuniary interest) he may terminate that person's tenure of office by giving him notice in writing to that effect.

### **Meetings of the HSCIC**

16. 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)’.
17. Nothing in these SOs 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.

18. Before each meeting of the HSCIC, a notice of the meeting which specifies the principal business proposed to be transacted at it 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.
19. 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.
20. 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.

### **Motions**

21. 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.
22. 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.
23. 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.
24. 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)
25. 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.
26. 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 SOs is final.

### **Quorum**

27. 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.
28. 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.
29. An officer in attendance for an officer member but without formal acting up status may not count towards the quorum.
30. 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.

### **Voting**

31. The Chair and non-executive Directors have 6 votes and the Executive members have 5 votes. Executive votes are allocated as follows  
  
CEO – 1 vote  
Director of Finance and Corporate Services – 1 Vote  
The remaining 3 Executive Director votes to be split as decided by the Chair and CEO
32. 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.
33. 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.
34. If a member so requests, their vote will be recorded by name.
35. In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
36. 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.
37. 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.

### **Minutes**

38. 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.
39. Any amendment to the minutes must be agreed and recorded in the minutes of the Board meeting at which they are submitted for agreement.
40. 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.

### **Suspension of, and amendments to, Standing Orders**

41. 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 SOs 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.
42. A decision to suspend SOs will be recorded in the minutes of the meeting.
43. A separate record of matters discussed during the suspension of SOs must be made and made available to the Chair and members of the Board.
44. No formal business may be transacted while SOs are suspended.
45. The Audit & Risk Committee will review every decision to suspend SOs.
46. The names of the members present at a meeting will be recorded in the minutes.

### **Arrangements for the Exercise of Functions by Delegation**

47. 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.
48. 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.
49. 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.

50. 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.
51. 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.
52. 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.
53. The arrangements made by the Board as set out in the document entitled 'Scheme of Delegation' have effect as if incorporated in these SOs.

#### **Committees and sub-committees**

54. 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.
55. A committee appointed under para 54 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.
56. Paras 54 and 55 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.
57. The Chair of the Assurance and Risk Committee will be appointed by the Chair of the Board following a competitive process.
58. The SOs of the HSCIC, as far as they are applicable, apply with appropriate alteration to meetings of any committees established by the Board.
59. Each such committee has terms of reference and powers and is subject to such conditions (as to reporting back to the Board), as the Board decides. Such terms of reference have effect as if incorporated into the SOs.
60. Where committees are authorised to establish sub-committees they may not

delegate their executive powers to the sub-committee unless expressly authorised by the Board.

61. The Board approves appointments to each committee, which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, are appointed to a committee, the terms of such appointment will be within the powers of the Board as defined by the Secretary of State. The Board will define the powers of such appointments and shall agree the terms of their remuneration and/or reimbursement for loss of earnings and/or expenses.
62. 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.
63. 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.

#### **Code of Practice for Board members**

64. The Code of Practice at Annex A sets out the responsibilities and conduct expected from the Board members and any independent members who sit on Board committees and sub-committees. The code is based on the Cabinet Office's model Code of Practice for Board Members of Public Bodies (June 2011).

#### **Board Declarations of Interest and Register of Interests**

65. The Code of Practice requires Board Directors to declare interests which are relevant and material to the HSCIC. All existing Board members must declare such interests. Any Board members appointed subsequently must do so on appointment.
66. Interests which should be regarded as 'relevant and material' are:
  - directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies)
  - ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the health and social care sector
  - majority or controlling share holdings in organisations likely or possibly seeking to do business with the health and social care sector
  - a position of authority in a charity or voluntary organisation in the field of health and social care, and
  - any connection with a voluntary or other organisation contracting for health and social care services.
67. Ownership or part ownership is not regarded as relevant and material. if "the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the lesser" [DN – needs to be confirmed].

68. If Board members have any doubt about the relevance of an interest, this should be discussed with the Chair or the Board Secretary.
69. At the time Board members' interests are declared, they shall be recorded in the Board minutes. Any changes in interests will be declared at the next Board meeting following the change occurring.
70. Board members' directorships of companies likely or possibly seeking to do business with the health and care sector shall be published in the HSCIC's annual report. The information should be kept up to date for inclusion in succeeding annual reports.
71. During the course of a Board meeting, if a conflict of interest is established, the Board member concerned will 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.
72. The interests of Board members' spouses or partners [DN – may want to extend this to cover others – see Section E] as defined in para 66 above must also be declared.
73. The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board members. In particular, the Register will include details of all directorships and other relevant and material interests which have been declared by Board members, as defined in paragraph 66
74. These details will be kept up to date by means of an annual review of the Register by the Assurance and Risk Committee in which any changes to interests declared during the preceding twelve months will be incorporated.
75. The Register will be held and maintained by the Board Secretary and made available to the public.

### **Standards of Business and Personal Conduct**

76. The standards of Business and Personal conduct that HSCIC staff must comply with are set out in Section E of the corporate governance manual. The following provisions should be read in conjunction with this.
77. If it comes to the knowledge of an officer of the HSCIC that a contract in which they have any pecuniary interest, not being a contract to which they themselves are a party, has been, or is proposed to be, entered into by the HSCIC they must immediately give notice in writing to the Chief Executive of the interest. The Chief Executive must ensure details are entered into the register of officers' interests kept for the purpose. In the case of persons living together as partners, the interest of one partner will, if known to the other, be deemed to be also the interest of that partner.
78. An officer must also declare to the Chief Executive any other employment or business or other relationship, or that of a spouse or partner, that conflicts, or might reasonably be predicted could conflict with the interests of the HSCIC.
79. 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.

80. 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.
81. Informal discussions outside appointment panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
82. Candidates for any staff appointment under the HSCIC must, when making an application, disclose in writing whether they are related to 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.
83. 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.
84. 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.
85. Each officer of the HSCIC 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 HSCIC secretary in writing of the offer/acceptance/rejection of gifts or hospitality in accordance with the Code.
86. 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.

#### **Tendering and Contract Procedure**

87. The procedure for making all contracts by or on behalf of the HSCIC shall comply with these SOs.
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 SOs.
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 DH) in accordance with the HSCIC's own tendering and procurement guidelines (See Appendix A).
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 DH 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 £50k 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 SOs
  - 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, Commercial and Corporate Service 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 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.

## **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 within the SOs and SFIs. 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 in SOs.
113. SFIs and the Scheme of Delegation have effect as if incorporated into SOs.
114. SOs 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 SOs.
115. The annual review of these documents will also reflect any updates to any financial directions issued since the last annual review.

**Section C – Scheme of Delegation**

**Insert index when finalised**

## Section C – Scheme of Delegation

### 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 SOs 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.

### Role of the Chief Executive.

120. 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.
121. 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. The Chief Executive shall prepare and maintain a detailed Scheme of Delegation identifying which functions the Chief Executive shall perform personally, and which functions have been delegated to others.
122. All powers delegated by the Chief Executive can be re-assumed by the Chief Executive should the need arise. 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.
123. 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".
124. 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.

125. If the Chief Executive is absent for any length of time, delegated powers may be exercised by the Director of Finance and Corporate Services [DN – subject to confirmation] subject to the Chair’s approval.

126. 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.

### **Role of the Board**

127. 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
- 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 and the Freedom of Information Act 2000 [DN – need to check if covers everything – inc Equality duties]
- 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 over [TBC] and capital expenditure over [TBC]
- Approving single tender awards above £50k

### **Delegation to Board Committees**

#### **Assurance and Risk Committee**

128. Terms of reference for the Assurance and Risk Committee are attached at Annex B

#### **Remuneration Committee**

129. Terms of reference for the Remuneration Committee are attached at Annex C.

## Delegation of powers to named posts

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

| <b>Powers Delegated</b>                                                                                        | <b>Responsible individual/group</b>               |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 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                                             |
| To discipline CEO and non-executive Directors                                                                  | Chair                                             |
| Preparation of the Annual Report                                                                               | Chief Executive                                   |
| Arrangement for Board sub-committee meetings                                                                   | Non-executive chairing sub-committee              |
| To adopt an organisation structure                                                                             | Chief Executive                                   |
| Waiving of Standing Financial Instructions                                                                     | Chief Executive                                   |
| Waiving of formal competitive tendering                                                                        | Chief Executive                                   |
| To discipline Executive Directors                                                                              | Chief Executive                                   |
| Determination that quotations need not be in writing                                                           | Chief Executive                                   |
| Receive & respond to official reports from statutory & regulatory bodies                                       | Chief Executive                                   |
| To respond to Parliamentary questions                                                                          | Chief Executive                                   |
| Nominate officers to join a group to evaluate competitive tenders                                              | 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                                   |
| Approve and sign all documents necessary in legal proceedings                                                  | Chief Executive                                   |
| Final interpretation of Standing Financial Instructions                                                        | Audit & Risk Committee                            |
| <b>Undertaking of powers conferred on the Chief Executive in their absence [DN – will want to review this]</b> | <b>Director of Finance and Corporate Services</b> |

|                                                                                                                                       | Chief Executive or Director of Finance and Corporate Services? |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Dismissal of an employee                                                                                                              |                                                                |
| Authorisation of ex-gratia payments to staff                                                                                          | Chief Executive/Remco                                          |
| Approval of arrangements for dealing with complaints                                                                                  | Chief Executive                                                |
| To receive the annual Management Letter from External Audit                                                                           | Chief Executive                                                |
| Waiving of formal compulsory tendering under special conditions (waivers should be reported to the Board in accordance with SOs/SFIs) | Director of Finance and Corporate Services                     |
| Compliance with Department of Health instructions                                                                                     | Chief Executive                                                |
| Re-grading of employees <b>[DN – needs to be reviewed]</b>                                                                            | Director of Finance and Corporate Services                     |
| Declaration that a re-tendering exercise must take place                                                                              | Director of Finance and Corporate Services                     |
| To ensure that a system of internal audit is in place                                                                                 | Chief Executive*                                               |
| Signing of all documents under seal and swearing of affidavits                                                                        | Chief Executive                                                |
| 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                     |
| Signing of the Annual Accounts                                                                                                        | Chief Executive                                                |
| Ensure value for money in service delivery                                                                                            | Chief Executive                                                |
| Ensure that a Risk Management process is in place                                                                                     | Assurance and Risk Committee                                   |
| Delegate budget to budget holders                                                                                                     | Director of Finance and Corporate Services                     |
| Appointment of all staff (using IC1 and IC2 forms)                                                                                    | Director of Finance and Corporate Services                     |
| Evaluation of quotations                                                                                                              | Director of Finance and Corporate Services                     |
| Approve and sign all leases, capital, land and building documents <b>[DN – need to check position on leases]</b>                      | Director of Finance and Corporate Services                     |
| Approve public private finance (PPF) deals                                                                                            | 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                     |

|                                                                                                                             |                                               |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Reporting HR staff numbers, pay awards and any ex-gratia payments to the Remuneration Committee and/or Board as appropriate | Director of HR                                |
| Production of monthly year-end financial I&E outturn forecasts                                                              | Director of Finance and Corporate Services    |
| Provide access to ALL records financial and otherwise to internal and external audit and other authorised parties           | Director of Finance and Corporate Services    |
| Writing off the book value of assets                                                                                        | Director of Finance and Corporate Services    |
| Management of the HSCIC's banking arrangements                                                                              | Director of Finance and Corporate Services    |
| Authorise the write off of bad debts                                                                                        | Director of Finance and Corporate Services    |
| Negotiation of service level agreement and contracts                                                                        | Director of Finance and Corporate Services    |
| Ensuring that sufficient cash is drawn to ensure business continuity                                                        | Director of Finance and Corporate Services    |
| Opening of tenders                                                                                                          | A Director of the Board plus a senior manager |
| Holding/maintaining Register(s) of Interests                                                                                | Board Secretary                               |
| Receipt and custody of tenders                                                                                              | Director of Finance and Corporate Services    |
| Taking and keeping of Board and sub-committee minutes                                                                       | Board Secretary                               |
| Maintaining the Hospitality Register                                                                                        | Board Secretary                               |
| Issuing of contracts of employment                                                                                          | HR                                            |
| Incurring expenditure within the areas of budget responsibility                                                             | Budget holder                                 |
| Appointment of staff within budgeted establishment                                                                          | Director of Finance and Corporate Services    |

\* Having taken guidance and advice from the Assurance & Risk committee.

**ANNEXES –**

**Assurance & Risk Committee Terms of Reference – Annex B**

**Remuneration Committee Terms of Reference – Annex C**

**Procurement guidelines – to follow**

**Authorised Signatory Mandate - to follow**

**HSCIC Accounting Officer – to follow**

**Insert index when finalised**

## Section D – Standing Financial Instructions

### General

131. 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.
132. 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.
133. 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.
134. 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.
135. 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.
136. 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.

### Responsibilities and Delegation

137. 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.
138. 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.
139. 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.
140. The Chief Executive will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the HSCIC.
141. The Chief Executive has overall responsibility for the HSCIC's system of internal control.
142. The Chief Executive will, as far as possible, delegate detailed responsibilities, but will remain accountable for financial control.
143. 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.
144. 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.
145. 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.

146. 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.

### **Assurance and Risk Committee**

147. 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.

148. The Terms of Reference of this committee are set out in Annex B of the Scheme of Delegation. These should be reviewed on an annual basis.

149. The Assurance and Risk Committee shall report annually to the Board on the extent of audit cover achieved, providing a summary of audit activity during the report period, and detailing the degree of achievement of the approved plan.

150. Where the Assurance and Risk Committee feels there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wishes to raise, the Chair of the 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.

151. The Chief Executive shall ensure that the HSCIC has a programme of risk management, which will be approved and monitored by the Board. Such responsibility shall also be enshrined in the Assurance and Risk Committee.

152. The programme of risk management shall incorporate all elements of risk to the HSCIC, not just financial, and should provide adequate assurance on the overall risk profile of the HSCIC. The programme should include:

- a process for identifying and quantifying risks and potential liabilities
- engendering among all levels of staff a positive attitude towards the control of risk and establishing a culture to embed risk management at all levels of the organisation
- management processes to ensure all significant risks and potential liabilities are regularly reviewed and addressed including effective systems of internal control and decisions on the acceptable level of retained risk
- contingency plans to offset the impact of adverse events
- audit arrangements including internal audit and a health and safety review
- arrangements to review the risk management programme.

153. The 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.

154. The effectiveness of the Assurance and Risk Committee should be formally reviewed on an annual basis, in line with best practice procedures.

### **Financial systems**

155. 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.

156. The Director of Finance and Corporate Services shall be primarily responsible for the accuracy and security of the computerised financial data of the HSCIC.

157. 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.

158. 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
- ongoing performance of the service provider is reviewed on a regular basis through meetings with the account manager

159. 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

160. The Director of Finance and Corporate Services may request computer audit reviews as necessary and arrange that the agreed recommendations are actioned.

161. Advice should be sought where required for relevant IT related matters from the Director of IT and on governance and security issues from the Director of Information Governance.

### **Fraud and corruption**

162. 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.

163. 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.

164. 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.

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

166. 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.

167. 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 (known as a whistle-blowing policy).

### **Income and expenditure budgets, control and reporting**

168. The HSCIC has a responsibility to prepare and agree financial plans in accordance with allocated resource, capital and cash limits and to ensure that such plans are reconcilable to the budgets. It shall perform its functions within the total of funds available. All plans, 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.

### **Income and Expenditure**

169. The Chief Executive, in conjunction with the Director of Finance and Corporate Services, shall be responsible for ensuring that 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.

170. 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.

171. The ability of the HSCIC to generate and retain income is covered in Section 11 of this document.

172. The HSCIC Board has the delegated responsibility to approve expenditure subject to the following limitations:

**DN – amounts quoted to be reviewed]**

- professional services over £250k (requires Ministerial approval). Professional services are defined as covering management consultancy, IS/IT consultancy, financial consultancy, property and construction consultancy, legal services and human resource advice and assistance
- any capital investment between £1m and £5m whole life costs requires sponsor approval, over £5m requires, in addition, Capital Investment Branch approval
- new accommodation over £1m whole life cost, requires DH business case approval via Property Asset Management board
- All single tenders over £50k require Board approval who have unlimited delegation except in the case of professional services where any single tender over £50k requires sponsor approval.

### **Budgets**

173. The Director of Finance and Corporate Services shall submit capital and revenue budgets consistent with the planning 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 bases and assumptions used to prepare the budget and ensure that they are sensible and realistic
- as a consequence 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

174. 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.

175. 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.

176. 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.

177. 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.

178. 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.

### **Control**

179. 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.

180. 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.

181. 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.

### **Reporting**

182. 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,.

183. 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.

### **Capital expenditure**

184. 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.

185. The Board shall approve the proposed capital expenditure budget at the beginning of the financial year. Individual items above £250,000 either not specified in the Business Plan or Strategy document, or in excess of the amounts included thereof, shall be approved separately by the Board in the form of a business case.

186. 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.

187. 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.

### **Cash and resource limit control**

188. The HSCIC is required by statutory provisions under section 227 (1) of the National Health Service Act 2006 not to exceed its annual resource limit allocated by the Secretary of State in accordance with Section 227. The actual expenditure budget may be higher than the Revenue Resource Limit given that the HSCIC could raise additional income, through selling services to commercial organisations and other public bodies. However, the net income and expenditure budget will be below or equal to the Revenue Resource Limit.

[DN - Need to check that below meets Board reporting requirements]

189. The Director of Finance and Corporate Services shall prepare a regular report for the Board showing:

- the net cash flow of the HSCIC during the previous month and for the financial year to date
- a forecast of the HSCIC's expected net cash flow for the remainder of the financial year.

190. 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.

191. 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.

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

### **Reporting and the annual accounts**

193. 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.

194. 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.

195. 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 (FRoM) 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.

196. 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 15 s. 3 (1) and 5 (3), NHS Act 2006 ).

### **Banking arrangements**

197. The HSCIC, being an ENDPB body of the Department of Health, is obliged to use the Paymaster General (PGO) for its normal banking arrangements. However, commercial banks may be used for specific purposes, for instance where a credit card terminal is required.

198. 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.

199. The Board shall approve the banking arrangements when for any reason an account other than a PGO account is used.

200. If arrangements other than the PGO 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.

201. In the operation of all PGO 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.

202. All payment instruments shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.

203. 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).

### **Security of cash, negotiable instruments and 'controlled stationery'**

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

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

### **Pricing and income**

205. 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.

206. 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.

207. 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.

208. 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.

209. 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.

### **Purchasing goods and services**

210. The HSCIC's Procurement guidelines (see Annex A) 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.

### **Requisitioning**

211. 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.

### **Purchasing**

212. 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.

213. 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.

### **Ordering**

214. Goods, services or works shall be ordered using the HSCIC's official purchase order process as defined in The Procurement Guidelines.

215. 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.

216. 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.
217. 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.
218. Orders shall not be placed in a manner devised to avoid the financial limits specified by the HSCIC.

### **Receipt of goods**

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

### **Approval of invoices**

220. 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.

### **Payment of accounts**

221. 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.
222. 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, (eg, rent, rates, purchase of licences) processes are in place to ensure the HSCIC receive the goods or services paid for.
223. 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.
224. 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.

### **Payment of staff**

225. 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, 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.

226. 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 DH Pay and Performance Oversight Committee and the Governance and Accounting committee are followed in relation to staff termination payments.

227. No director or employee may engage, re-engage, or regrade 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

228. 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.

229. 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;

230. 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.

231. 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.

## **Security and register of assets**

232. 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.
233. Any damage to the HSCIC's property shall be reported by staff in accordance with the agreed procedure for reporting losses.
234. 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.
235. 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.
236. 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
  - stores requisitions and wages records for own materials and labour including appropriate overheads
  - lease agreements in respect of assets held under a finance lease and capitalised.
237. The up to date maintenance of the asset register and annual checking of asset records shall be the responsibility of the Head of Finance.
238. 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.
239. 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).
240. 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.
241. 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.

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

### **Losses, condemnations and special payments**

243. 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.

244. 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 arms length body unit.

245. 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.

246. 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.

247. 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.

### **Losses**

248. 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.

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

250. 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.

251. The Director of Finance and Corporate Services shall report regularly to the Assurance and Risk Committee full details of ex-gratia payments made to staff, and full details of write-offs and special payments made.

### **Condemnations**

252. 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.

253. 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.

### **Approval**

254. 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 authorise special payments within delegated limits which should be reported to the Board on a timely basis.

255. 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.

### **Register and safeguards**

256. 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 and special payments approved by the Chief Executive and the Board shall be recorded against entries in the register.

257. 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.

### **Internal and external audit**

## Internal Audit

258. 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, either internally or externally 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 (see Terms of Reference annexed to Standing Orders) 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.
259. 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.
260. 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.
261. 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.
262. 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.
263. 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.

### **External Audit**

264. The Comptroller and Auditor General is the statutory External Auditor of the HSCIC under schedule 15 s. 6 (2) of the NSH Act 2006. The HSCIC will pay a cash fee for the annual audit, as agreed with the NAO on behalf of the Comptroller and Auditor General.

265. External Auditors acting on behalf of the C&AG 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.

266. The Audit Committee will review the effectiveness of the external audit service, including considering whether the service offers value for money and any areas for improvement.

267. The Audit Committee will receive the Annual Audit Strategy and reports on the audit.

268. The External Auditors shall have direct access to the Chair of the Audit Committee as required, and at least once a year will meet with the non-Executive Directors of the Audit Committee without the Executives.

### **Retention of documents**

269. The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in HSC1999/053.

270. The documents held in archives, including the archive known as "The Safe Haven" within Information Governance shall be capable of retrieval by authorised persons.

271. Retained documents shall be destroyed only at the express instigation of the Chief Executive. Records shall be maintained of documents so destroyed.

## Section E – Standards of Business/Personal Conduct – including Declaration of Interests and Hospitality

### Introduction and general principles

272. The HSCIC aspires to the highest standards of corporate behaviour and responsibility. This guidance:

- describes the public service values, which underpin the work of the health and care system
- the standards of business and personal conduct that all individuals working within the HSCIC are expected to comply with
- the rules relating to declaration of interests and hospitality.

273. It is in no way implied that HSCIC employees are likely to act improperly. However, it is important to note that the *perception* created by actions or behaviour can imply unfairness or bias in relation to contractors and suppliers, even though there is no substance to the concerns. This perception can be damaging to the HSCIC and the individual. Therefore individuals should always be conscious of how their actions and behaviour may be interpreted by others.

274. This guidance applies to:

- HSCIC executive directors;
- HSCIC non-executive directors;
- HSCIC employees;
- committee members;
- third parties acting on behalf of the HSCIC under a contract;
- students and trainees (including apprentices);
- agency staff engaged by the HSCIC; and
- secondees.

(referred to collectively in this policy as "HSCIC Staff").

275. The Code of Conduct and Code of Accountability in the NHS (second revision July 2004) sets out the following three public service values which are central to the work of the HSCIC:

- **Accountability** - everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- **Probity** - there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, officers and members and suppliers, and in the use of information acquired in the course of NHS duties.
- **Openness** - there should be sufficient transparency about NHS activities to promote confidence between the HSCIC and its staff, patients and the public.

276. All staff within the HSCIC must also abide by the Seven Principles of Public Life as set out by the Committee on Standards in Public Life and set out at Appendix ?

## Prevention of corruption

277. The HSCIC has a responsibility to ensure that all HSCIC staff are made aware of their duties and responsibilities arising from the Bribery Act 2010. Under this Act there are four offences:

- bribing, or offering to bribe, another person (section 1);
- requesting, agreeing to receive, or accepting a bribe (section 2);
- bribing, or offering to bribe, a foreign public official (section 6);
- failing to prevent bribery (section 7).

278. All HSCIC staff are required to be aware of the Bribery Act 2010 and should also refer to paragraph ? below for further guidance in relation to this.

## Raising concerns

279. It is the duty of every member of staff to speak up about genuine concerns in relation to criminal activity, breach of a legal obligation (including negligence, breach of contract or breach of administrative law), miscarriage of justice, danger to health and safety or the environment, and the cover up of any of these in the workplace. The HSCIC will develop a whistle-blowing policy to set out the arrangements for raising and handling staff concerns. The procedure for reporting specific concerns relating to fraud are described in paragraph five.

## Counter fraud measures

**[DN – section subject to agreement and in particular Board approval to PwC being retained as internal auditors for new HSCIC for interim period – inc providing LCFS service]**

280. HSCIC staff must not use their position to gain financial advantage. The HSCIC is keen to prevent fraud and encourages staff with concerns or reasonably held suspicions about potentially fraudulent activity or practice, to report these.

281. The **Local Counter-Fraud Specialist (LCFS) for the HSCIC is Neil Mohan**. Neil can be contacted on 01509 604029, by e-mail [neil.mohan@uk.pwc.com](mailto:neil.mohan@uk.pwc.com) or by post to: Neil Mohan, Counter-Fraud Specialist, PricewaterhouseCoopers LLP, Donington Court, Castle Donington, DE74 2UZ.

282. The LCFS is responsible for investigating fraud within the HSCIC, and has received specialist legal training and accreditation in countering fraud. **HSCIC staff should not ignore their suspicions, investigate themselves or tell colleagues or others about their suspicions No fraud investigation work must be carried out by anyone other than the accredited specialist.** This ensures that any fraud work is carried out to the highest professional standard.

283. The purpose of any enquiry will be to prove or disprove any allegations and if proven gather sufficient evidence to take action against those involved, seeking to recover where possible any loss resulting from the activity.

284. Anonymous letters, telephone calls, etc are occasionally received from individuals who wish to raise matters of concern, but not through official channels. While the

suspicions may be erroneous or unsubstantiated, they may also reflect a genuine cause for concern and will always be taken seriously. The Director of Finance and Corporate Services will make sufficient enquiries to establish whether or not there is any foundation to the suspicion that has been raised and forward to the LCFS to investigate further if appropriate.

285. Guidance on fraud is available [link to be inserted] for managers and staff **[DN – currently on HSCIC Intranet but may need adapting].**

### **Standing orders (SOs), standing financial instructions (SFIs) and scheme of delegation (SD)**

286. All HSCIC staff must carry out their duties in accordance with the HSCIC's SOs, SFIs and SD. The SOs, SFIs and SD set out the statutory and governance framework in which the HSCIC operates. HSCIC staff must at all times refer to and act in accordance with the SOs, SFIs and SD to ensure current HSCIC process is followed. In the event of doubt, HSCIC staff should seek advice from their line manager. In the event of any conflict arising between the details of this policy and the SOs, SFIs and SD, the provisions of the SOs, SFIs and SD shall prevail.

### **Declaration of interests**

287. The HSCIC needs to have in place principles and procedures for minimising, managing and registering potential conflicts of interests which could be deemed or assumed to affect the decisions made by those involved in the HSCIC. These decisions could include awarding contracts, procurement, policy, employment and other decisions.
288. HSCIC staff should not allow their judgement or integrity to be compromised. They should be, and be seen to be, honest and objective in the exercise of their duties and should understand fully their terms of appointment, duties and responsibilities.
289. This section describes the HSCIC policy in relation to the identification and management of conflicts of interest for staff. Adherence to these provisions is mandatory in order to identify and manage current or potential conflicts which may arise between the interests of the HSCIC and the personal interests, associations and relationships of its staff or representative family members.
290. Failure to adhere to these provisions relating to the declaration of interests may constitute the criminal offence of fraud, as an individual could be gaining unfair advantages or financial rewards for themselves or a family member/friend or associate. Any suspicion that a relevant personal interest may not have been declared should be reported to the HSCIC Board Secretary.
291. All HSCIC staff must declare any interest, either on appointment or when the interest is acquired, which may directly or indirectly give rise to an actual or potential conflict of interest or duty. Such interests, and potential conflicts of interest, include personal and indirect interests, and may come about through:
- financial interests (for example, where someone involved has significant shareholdings or voting rights in a company or partnership);
  - decisions affecting individuals who share the interests of organisation staff – for

example, family members or members of societies, clubs or other organisations;

- acceptance of hospitality from current or prospective business contacts; and
- acceptance of gifts.

292. A family member may include:

- a partner (someone who is married to, a civil partner or someone with whom the HSCIC staff member lives in a similar capacity);
- a parent or parent in law;
- a son or daughter or stepson or step daughter;
- the child of a partner;
- a brother or sister;
- a brother or sister of the staff member's partner;
- a grandparent and/or a grandchild;
- an uncle or aunt;
- a nephew or niece; and
- the partners of the above.

293. The HSCIC is required to maintain a register of interests to record formally declarations of interest of HSCIC Board members. Details of the process are in the Standing Orders and Code of Practice for Board members.

294. The HSCIC will also maintain a register of interests declared by all other HSCIC staff. HSCIC staff (excluding Board members) should complete the form set out at Appendix to declare any relevant interests and send it to Corporate Services.

295. All Declarations of Interest made by HSCIC staff will be reviewed on an annual basis.

### **Personal conduct**

#### *Lending or borrowing*

296. The lending or borrowing of money between staff should be avoided, whether informally or as a business, particularly where the amounts are significant.

297. It is a particularly serious breach of discipline for any member of staff to use their position to place pressure on someone in a lower payband, a business contact, or a member of the public to loan them money.

298. No member of staff may bet or gamble when on duty or on HSCIC premises, with the exception of small lottery syndicates or sweepstakes related to national events such as the World Cup or Grand National among immediate colleagues.

#### *Trading on official premises*

299. Trading on official premises is prohibited, whether for personal gain or on behalf of others. Canvassing within the office by, or on behalf of, outside bodies or firms (including non-HSCIC interests of staff or their relatives) is also prohibited. Trading does not include small tea or refreshment arrangements solely for staff.

#### *Collection of money*

300. Charitable collections must be authorised by Corporate Services. Other flag day appeals are not permitted, and collection tins or boxes must not be placed in offices. With line management agreement, collections may be made among immediate colleagues and friends to support small fundraising initiatives, such as raffle tickets and sponsored events. Permission is not required for informal collections amongst immediate colleagues on an occasion like retirement, marriage or a new job.

*Bankrupt or insolvent staff*

301. Any member of staff who becomes bankrupt or insolvent must inform their line management and Human Resources as soon as possible. Staff who are bankrupt or insolvent cannot be employed in posts that involve duties which might permit the misappropriation of public funds or involve the handling of money.

*Arrest or conviction*

302. A member of staff who is arrested and refused bail or convicted of any criminal offence must inform their line management and Human Resources.

*Gifts and hospitality*

303. A 'gift' is defined as any item of cash or goods, or any service, which is provided for personal benefit at less than its commercial value. In cases of doubt, advice should be sought from your line manager or the Board Secretary.

304. Items of little value (less than £25) [DN – need to agree if right level] such as diaries, calendars, flowers and small tokens of appreciation (including seasonal gifts), may be accepted.

305. All other offers of gifts must be declined and returned with a letter politely explaining the terms of this policy and stating that you are not allowed to accept them. Any personal gift of cash or cash equivalents (e.g. tokens) must be declined whatever their value. All offers of gifts must be reported to the Board Secretary.

306. HSCIC staff should exercise discretion in accepting offers of hospitality from contractors, other organisations or individuals concerned with the supply of goods or services. Modest hospitality provided in normal and reasonable circumstances during the course of working visits may be acceptable, although it should be on a similar scale to that which the HSCIC might offer in similar circumstances, e.g. hospitality provided at meetings, events, seminars. In cases of doubt, advice should be sought from your line manager.

307. All hospitality or gifts accepted regardless of value should be recorded in the Hospitality Book held by the Board Secretary (example attached at Appendix ?) as soon as is reasonably practicable. It is not necessary to record refreshments such as tea, coffee etc, or for course participants to record meals provided during a training event or seminar.

308. HSCIC staff should be especially cautious of accepting small items of value, or hospitality over that afforded in a normal meeting environment (i.e. beverages) during a procurement process or from bidders/potential bidders. This avoids any

potential claim of unfair influence, collusion or canvassing.

309. Care should be taken when providing hospitality. Avoid providing hospitality at non-business locations unless there is a clear need to do so – this should be agreed in advance by the responsible national director. Any hospitality provided should be modest.

*Outside employment and private practice*

310. Employees of the HSCIC (depending on the details of their contract as regards outside employment and private practice) are required to inform the HSCIC if they are engaged in or wish to engage in outside employment in addition to their work with the HSCIC (using the form at Appendix D). The purpose of this is to ensure that the HSCIC is aware of any potential conflict of interest with their HSCIC employment. Examples of work which might conflict with the business of the HSCIC include:

- employment with another health and care body;
- employment with another organisation which might be in a position to supply goods/services to the HSCIC; and
- self-employment, including private practice, in a capacity which might conflict with the work of the HSCIC or which might be in a position to supply goods/services to the HSCIC.

311. Permission to engage in outside employment/private practice will be required and the HSCIC reserves the right to refuse permission where it believes a conflict will arise.

*Political activities*

312. Any political activity should not identify an individual as an employee of HSCIC. Conferences or functions run by a party political organisation should not be attended in an official capacity, except with prior written permission from an Executive director.

*Commercial sponsorship*

313. HSCIC staff may accept commercial sponsorship for courses, conferences, post/project funding, meetings and publications if they are reasonably justifiable and in accordance with the principles set out in this policy. In cases of doubt advice should be sought from your line manager. Permission (with details of the proposed sponsorship) must be obtained from the relevant national director in writing in advance and a copy of this permission must be sent to the Board Secretary.
314. Acceptance of commercial sponsorship should not in any way compromise commissioning decisions of the HSCIC or be dependent on the purchase or supply of goods or services.
315. Sponsors should not have any influence over the content of an event, meeting, seminar, publication or training event.

316. The HSCIC should not endorse individual companies or their products. It should be made clear that the fact of sponsorship does not mean that the HSCIC endorses a company's products or services.
317. During dealings with sponsors there must be no breach of patient or individual confidentiality or data protection legislation.
318. No information should be supplied to a company for their commercial gain unless there is a clear benefit to the NHS. As a general rule, information which is not in the public domain should not normally be supplied.

#### *Suppliers and contractors*

319. All HSCIC staff who are in contact with suppliers and contractors (including external consultants), and in particular those who are authorised to sign purchase orders or enter into contracts for goods and services are expected to adhere to professional standards in line with those set out in the Code of Ethics of the Chartered Institute of Purchasing and Supply (Appendix).
320. All HSCIC staff must treat prospective contractors or suppliers of services to the HSCIC equally and in a non-discriminatory way and act in a transparent manner.
321. HSCIC staff involved in the awarding of contracts and tender processes must take no part in a selection process if a personal interest or conflict of interest is known. Such an interest must be declared to the Board Secretary using the form at Appendix as soon as it becomes apparent. HSCIC staff should not at any time seek to give undue advantage to any private business or other interests in the course of their duties.
322. The HSCIC has duties under European and UK procurement law and HSCIC staff must comply with standing financial instructions (SFIs) in relation to all contract opportunities with the HSCIC.
323. HSCIC staff must not seek, or accept, preferential rates or benefits in kind for private transactions carried out with companies with which they have had, or may have, official dealings on behalf of the HSCIC. This does not apply to officers' and members' benefit schemes offered by the NHS or trade unions.
324. HSCIC staff invited to visit organisations to inspect equipment (e.g. software or training aids) for the purpose of advising on its purchase will be reimbursed for their travelling expenses in accordance with the travel expenses policy laid down by the HSCIC. Such expenses should not be claimed from other organisations to avoid compromising the purchasing decisions of the HSCIC.
325. Every invitation to tender to a prospective bidder for HSCIC business must require each bidder to give a written undertaking, not to engage in collusive tendering or other restrictive practice and not to engage in canvassing the HSCIC, its employees or officers concerning the contract opportunity tendered.
326. Offers of pro bono work from prospective bidders for HSCIC business should be politely refused.

#### *Initiatives*

327. As a general principle any financial gain resulting from external work where use of HSCIC time or title is involved (eg, speaking at training events/conferences, writing articles etc) and/or which is any patents, designs, trademarks or copyright resulting from the work (eg, research) of an employee of the HSCIC carried out as part of their employment by the HSCIC shall be the Intellectual Property of the HSCIC.
328. Approval from the appropriate line manager should be sought prior to entering into an obligation to undertake external work connected with the business of the HSCIC, eg writing articles for publication, speaking at conferences.
329. Where the undertaking of external work, gaining patent or copyright or the involvement in innovative work, benefits or enhances the HSCIC's reputation or results in financial gain for the HSCIC, consideration will be given to rewarding employees subject to any relevant guidance for the management of Intellectual Property in the NHS issued by the Department of Health.
330. Information concerning the HSCIC which is not in the public domain must not at any time be divulged to any unauthorised person. Similarly, patient data or personal data concerning staff must not be divulged, in line with the Data Protection Act, 1998. This duty of confidence remains after termination of employment and applies to all individuals working within HSCIC.

### **Confidentiality**

331. Care should be taken that confidentiality is not breached inadvertently by, for instance discussing confidential matters in public places, such as whilst travelling by train, or by leaving portable IT equipment containing confidential information where it might easily be stolen, such as on full view in a parked car. Data should only be distributed using mechanisms with an appropriate level of security.
332. HSCIC staff must maintain confidentiality of information at all times, both commercial data and personal data, as defined by the Data Protection Act.
333. HSCIC staff should guard against providing information on the operations of the HSCIC which might provide a commercial advantage to any organisation (private or NHS) in a position to supply goods or services to the HSCIC. For particularly sensitive procurements/contracts HSCIC staff may be asked to sign a non-disclosure agreement, a copy of which can be found at Ap

### **Management arrangements**

334. HSCIC staff should be aware that a breach of this policy could render them liable to prosecution as well as leading to the termination of their employment or position with the HSCIC.
335. HSCIC staff who fail to disclose any relevant interests, outside employment or receipt of gifts or hospitality as required by this policy or the HSCIC's SOs and SFIs may be subject to disciplinary action which could, ultimately, result in the termination of their employment or position with the HSCIC.
336. The Board Secretary will be responsible for maintaining the register of interests,

holding the hospitality register and reviewing the implementation of this policy.

### **Complaints**

337. HSCIC staff who wish to report suspected or known breaches of this policy should inform the Board Secretary. All such notifications will be held in the strictest confidence and the person notifying the Board Secretary can expect a full explanation of any decisions taken as a result of any investigation.

### **Further information**

338. This policy is an interpretation of guidance and is based on examples of good practice. In addition to referring to the HSCIC standing orders, matters reserved to the Board, standing financial instructions and financial scheme of delegation. HSCIC staff should refer to [ need to check if still valid/correct]:

- the National Health Service Act 2006 & subsequent Health and Social Care Acts
- the Code of Conduct for NHS Managers;
- the Nolan Principles on Conduct in Public Life;
- the NHS Codes of Conduct and Accountability; (NHS Appointments Commission & Department of Health – amended July 2004)
- the Code of Practice on Openness in the NHS; and
- any additional or successor guidance published by the Department of Health.

339. This policy will be reviewed on a yearly basis, and in accordance with the following on an as and when required basis:

- legislative changes;
- good practice guidance;
- case law;
- significant incidents reported;
- new vulnerabilities; and
- changes to organisational infrastructure.

Appendix

**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.

## Appendix

Specimen declaration of interest by HSCIC staff – for the period xx-xx

Full name:

Position:

(Nil entries are required for each item if applicable)

Nature of interest      Details

- A. Consultancies and/or direct employment:
- B. Fee paid work
- C. Shareholdings
- D. Fellowships / trusteeships & membership of voluntary bodies:
- E. Any other personal interests not covered above
- F. Non-personal interests:

I confirm that the information provided is a full, accurate and complete list of all my interests that require declaration to the HSCIC. I acknowledge that any changes in these declarations must be notified to the Board Secretary as soon as they occur. I will provide the HSCIC with further details of any interest declared if required.

I am also aware that any hospitality received or offered must be notified to the Board Secretary on the appropriate declaration form as soon as possible.

**Signature:**

**Date:**

**Return this form to Corporate Services. The completed form will be filed on an official register which will be periodically scrutinised by the HSCIC's auditors and may be viewed at any time by a member of the public or interested organisation**

Notes

Declaring interests helps to avoid public concern that external links and relationships might unduly influence the work of the HSCIC. It ensures that such interests are openly and publicly declared.

Declaring an interest would not necessarily preclude an individual from undertaking an

external activity, whether Personal or Non-Personal, but it might mean that they would not be able to take part in certain parts of a process where there could be a conflict of interest. As a result, for example, an individual may be asked to leave the room during certain parts of a meeting.

Examples of particular interests that should be regarded as relevant are:

- Directorships, including Non-Executive Directorships held in private companies or PLCs;
- Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;
- A position of authority in a charity or voluntary organisation in the field of health and social care or contracting for NHS services; and
- Research funding/grants that may be received by an individual or his/her department.

**Appendix – Declaration of acceptance of gifts or hospitality**

This form must be completed if, in connection with your official duties, you are offered or accept any form of gift (apart from those that fall under the modest value/advertising categories described in Appendix 1), hospitality or consideration from a third party.

Following completion, pass the form to HSCIC Board Secretary who will arrange for the Chief Executive or Director of Finance and Corporate Services to counter-sign. The completed form will be filed on an official register held by the Executive Office, which will be periodically scrutinised by the HSCIC's auditors and may be viewed at any time by a member of the public or interested organisation.

Name:

I disclose that on ..... (date) I was offered (insert description of gift/hospitality)

from ..... (name of person/organisation offering gift or hospitality) but declined to accept

I disclose that on ..... (date) I accepted (insert description of gift/hospitality)

from ..... (name of person/organisation offering gift or hospitality)

Signed .....

Position .....

Date .....

Countersigned .....

Position .....

Date .....

## Appendix

[DN – do we need this?]

The chartered institute of purchasing and supply (CIPS) code of ethics

Use of the code

Members of CIPS are required to uphold this code and to seek commitment to it by all those with whom they engage in their professional practice. Members are expected to encourage their organisation to adopt an ethical purchasing policy based on the principles of this code and to raise any matter of concern relating to business ethics at an appropriate level. The Institute's Royal Charter sets out a disciplinary procedure which enables the CIPS Council to investigate complaints against any of our members and, if it is found that they have breached the code, to take appropriate action. Advice on any aspect of the code is available from the CIPS.

This code was approved by the CIPS Council on 11 March 2009.

As a member of The Chartered Institute of Purchasing & Supply, I will:

- maintain the highest standard of integrity in all my business relationships;
- reject any business practice which might reasonably be deemed improper;
- never use my authority or position for my own personal gain;
- enhance the proficiency and stature of the profession by acquiring and applying knowledge in the most appropriate way;
- foster the highest standards of professional competence amongst those for whom I am responsible;
- optimise the use of resources which I have influence over for the benefit of my organisation; and
- comply with both the letter and the intent of:
  - the law of countries in which I practise;
  - agreed contractual obligations; and
  - CIPS guidance on professional practice.

## Appendix

### Application to seek permission to accept commercial sponsorship

Please complete the form below and then pass to the relevant Director for approval. If approval is given, send a copy of the form, once signed by the Director, to the Board Secretary.

#### 1 Detail of staff

Name

Title

E-mail

Tel-No

#### 2 Details of proposed sponsorship, including details of proposed sponsor

#### Approval by relevant Director

Name

Title

Signature Date

Any comments

Please return this form to:

Board Secretary HSCIC