

Code of Corporate Governance

Version 10



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FEEDBACK

NHS Western Isles promotes a culture of continuous improvement and undertakes regular reviews of this Code of Corporate Governance.

To ensure that the Code remains relevant we would be happy to hear from you with regard to new procedures, changes to legislation, difficulty in interpreting the contents, or any other matter you may wish to mention that has a bearing on the Code.

Comments and suggestions are therefore welcome and should be sent to

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INDEX

Section
A

Introduction

The purpose and role of the Board and the responsibilities of its Members

5

Section
B

Regulation of Meetings and Proceedings of the Board and its Committees

How the Board organises and carries out its business

16

Section
C

Scheme of Administration

Specifying the Committees that the Board has, the rules regarding their membership, and how the Committees function

30

Section
D

Constitution and Terms of Reference of Committees and Sub-Committees

Identifying the membership of Committees and what the Committees are required to achieve

39

Section
E

Scheme of Delegation: Reservation of Powers and Delegation of Authority

Explaining the level of authority available to the Board, Committees, and individuals

74

Section
F

Delegation of Powers for Appointment of Staff

Guidance on how certain specific categories of staff are appointed

134

Section
G

Standing Financial Instructions

The key principles adopted to ensure robust financial control

139

Section
H

Members Code of Conduct

The personal standards expected of Board Members

186

Section
I

Standards of Business Conduct for NHS Staff

209

Guidance to ensure all staff are aware of their obligations when carrying out their NHS duties

Section
J

Fraud Policy

225

Guidance on the detection, prevention, reporting and handling of Fraud

Document Control

250

Section
A

Introduction

Role of the
Board



1. NHS WESTERN ISLES

- 1.1 **Western Isles NHS Board** or **the Board** means the Chairperson and such individuals as are appointed as Members of the Board by the Scottish Ministers. **Western Isles NHS Board** is the common name of Western Isles Health Board. **NHS Western Isles** is the descriptor for the local health system for the Western Isles, and comprises Western Isles NHS Board, with a Single Operating Division incorporating a Community Health and Social Care Partnership, and a number of Corporate Directorates.

2. PURPOSE OF WESTERN ISLES NHS BOARD

- 2.1 The Board is a board of governance. Its overall purpose is to
- ▶ Ensure the efficient, effective and accountable governance of the NHS Western Isles system;
 - ▶ Provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes;
 - ▶ Protect and improve the health and wellbeing of the Western Isles population; and
 - ▶ Ensure the reliability and delivery of the healthcare required, within the law and without causing harm.

3. ROLE OF THE BOARD

- 3.1 The Board's main responsibilities are the stewardship of the organisation's assets and determining its Corporate Strategy and ensuring that the strategy is delivered. It is also responsible for the published Annual Report and financial Annual Accounts, in which are included the controls assurance statements. With regard to corporate governance, it is therefore primarily concerned with establishing and maintaining a robust control environment.
- 3.2 To support these objectives the Board will receive periodic regular reports from its Statutory Committees, Committees, Sub-Committees, Advisory Committees, and Executive Directors on performance to reassure it in this regard or to indicate that appropriate corrective action is being taken.

3.3 The Board of NHS Western Isles has responsibility for the following key functions

- ▶ Putting and keeping in place arrangements for monitoring and improving the quality and effectiveness of health care which it provides;
- ▶ Protecting and improving the health and wellbeing of the population;
- ▶ Setting the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, defining its annual and longer-term objectives, and agreeing plans to achieve them;
- ▶ Overseeing the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
- ▶ Ensuring effective financial stewardship through value for money, financial control and financial planning and strategy;
- ▶ Setting the values and standards for NHS Western Isles and ensuring that its obligations to patients, the local community, and the Cabinet Secretary for Health and Wellbeing are understood and met; and
- ▶ Promoting the success of NHS Western Isles by directing and supervising its affairs.

3.4 To discharge these functions the Board will ensure that NHS Western Isles

- ▶ Promotes and safeguards high standards of care;
- ▶ Focuses on agreed outcomes;
- ▶ Focuses clearly on patient safety, risk, health outcomes, and improving the patient's experience of NHS services;
- ▶ Promotes community planning by working closely with other local organisations;
- ▶ Informs, engages, and consults with the public in the design, delivery and evaluation of healthcare services;
- ▶ Allocates resources to address local and national priorities; and

- ▶ Achieves the targets in the Annual Operational Plan (previously referred to as Local Delivery Plan).
- 3.5 The Board is accountable to the Cabinet Secretary for Health and Wellbeing for the overall performance of NHS Western Isles. To ensure probity the Board must reserve certain decisions to itself. Details of the approach to this issue are given in the Scheme of Delegation included as Section 5 of this Code of Corporate Governance.
- 3.6 The Board monitors the Executive Directors' progress and performance through approving and reviewing service strategies and supporting or vetoing specific actions. The Board delegates its executive responsibility for the performance of its functions to the Chief Executive and Executive Directors and exercises supervision and control by requiring the submission and approval of service plans and budgets and by subsequent monitoring of performance and outcomes.

4. RESPONSIBILITIES OF MEMBERS OF THE BOARD

- 4.1 Membership of Western Isles NHS Board carries with it a collective responsibility for the discharge of these functions. All Members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments and accountability, upwards to Scottish Ministers and outwards to the local community.
- 4.2 Western Isles NHS Board is a strategic body, accountable to the Scottish Government Health Directorates and to Scottish Ministers for the designated functions of the NHS Board and the performance of the NHS Western Isles system.
- 4.3 All Members of Western Isles NHS Board share collective responsibility for the overall performance of the NHS Western Isles system, including the performance of its separate component parts. The Board, however, will not concern itself with day-to-day operational matters, except where they have a material impact on the safety, and on performance of the system as a whole. The component parts of NHS Western Isles as set out in paragraph 1 above have operational responsibilities for health improvement, primary care, and acute services.

5. ACCOUNTABLE OFFICER

- 5.1 Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Administration has designated the Chief Executive of Western Isles NHS Board as Accountable Officer.
- 5.2 Accountable Officers must comply with the terms of the **Memorandum to Accountable Officers for Other Public Bodies** and any updates to the Memorandum issued by the Principal Accountable Officer for the Scottish Administration.
- 5.3 The Memorandum was updated in August 2009 and is included as an Appendix to this Section of the Code of Corporate Governance.
- 5.4 In connection with Section 7 of the Memorandum, the Nurse/AHP Director and Chief Operating Officer has been designated as Deputy Chief Executive of NHS Western Isles.

MEMORANDUM TO ACCOUNTABLE OFFICERS FOR OTHER PUBLIC BODIES

1. INTRODUCTION

1.1 Section 14 of the Public Finance and Accountability (Scotland) Act 2000 (PFA Act) makes provision for my appointment as Principal Accountable Officer for the Scottish Administration and specifies my functions as such. Section 15(1) and (3) of the PFA Act provide for me to designate Accountable Officers for parts of the Scottish Administration and for other bodies the accounts of which are required by statute to be audited by or under the control of the Auditor General for Scotland.

1.2 Accountable Officers are personally answerable to the Scottish Parliament in accordance with section 15 of the PFA Act. In this Memorandum, reference to the Parliament and Ministers should be interpreted as the Scottish Parliament and the Scottish Ministers. References to the Board are to the statutory Board, or other ruling entity, of the body, or if there is no Board to the senior appointee of the body.

1.3 This Memorandum determines the responsibilities that are common to all Accountable Officers that I may designate under section 15(3) of the PFA Act.

2. GENERAL RESPONSIBILITIES OF ACCOUNTABLE OFFICERS

2.1 The essence of your role as Accountable Officer is, subject to section 5 below, a **personal** responsibility for the propriety and regularity of the public finances for the body for which you are answerable and ensuring that the resources of the body are used economically, efficiently and effectively.

2.2 It is incumbent on you to combine your duties as an Accountable Officer with your duty to serve the body to whom you are responsible and from whom you derive your authority. The body is in turn responsible to the Parliament in respect of its actions and conduct.

2.3 You may be called to give evidence before the Public Audit Committee. You will be expected to deal with questions arising from the accounts of the body or, more commonly, from reports made to the Parliament by the Auditor General for Scotland on examinations into the economy, efficiency and effectiveness with which the body has used its resources in discharging its functions. More detailed guidance is provided in paragraph 6 below and in the Scottish Public Finance Manual.

2.4 You must make sure that arrangements for delegation promote good management and that you are supported by the necessary staff with an appropriate balance of skills. The latter requires careful selection and development of staff and the sufficient provision of special skills and services (scientific, economic, statistical, accountancy, inspection and review etc). You should ensure that the body's staff are conscientious in their approach to costs, whether or not borne directly on the body's budget.

3. SPECIFIC RESPONSIBILITIES OF ACCOUNTABLE OFFICERS

3.1 As Accountable Officer you must, in relation to the body for which you are designated:

3.1.1 ensure that appropriate financial systems are in place and applied and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes;

3.1.2 sign the accounts – and the associated Statements on Internal Control – for the body, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation or in the relevant Accounts Direction issued by the Scottish Ministers;

3.1.3 ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts;

3.1.4 ensure that the public funds for which you are responsible are properly managed and safeguarded, including independent and effective checks of any cash balances in the hands of an official;

3.1.5 ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate;

3.1.6 ensure that, in the consideration of policy proposals relating to the resources for which you have responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where appropriate brought to the attention of the body;

3.1.7 ensure that delegation of responsibility is accompanied by clear lines of control and accountability together with reporting arrangements;

3.1.8 ensure that effective management systems appropriate for the achievement of the body's objectives, including financial monitoring and control systems, have been put in place;

3.1.9 ensure that risks, whether to achievement of business objectives, regularity, propriety or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all relevant areas to manage them;

3.1.10 ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual;

3.1.11 ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes and performance in relation to those objectives;

3.1.12 ensure managers at all levels are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to third parties) including a critical scrutiny of outputs, outcomes and value for money;

3.1.13 ensure managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

4. REGULARITY AND PROPRIETY

4.1 You must ensure that the body achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation (including the annual Budget Act), relevant guidance issued by the Scottish Ministers – in particular the Scottish Public Finance Manual – and any framework document (e.g. Management Statement / Financial Memorandum) setting out the accountability arrangements and other relevant matters. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.

4.2 You have a particular responsibility for ensuring compliance with parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by the Parliament in Budget Acts (or otherwise authorised by section 65 of the Scotland Act 1998). The Parliament's attention must be drawn to losses or special payments, by appropriate notation of the relevant account. In the case of expenditure approved under the Budget Act any payments made must be within the scope and amount specified in that Act.

4.3 In your stewardship of public funds all actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct. You must not misuse your official position to further your private interests and care should be taken to avoid actual, potential, or perceived conflicts of interest.

5. ADVICE TO THE BODY

5.1 In accordance with section 15(8) of the PFA Act you have particular responsibility to ensure that, where you consider that any action that you are required to take is inconsistent with the proper performance of your duties as Accountable Officer, you obtain written authority from the body for which you are designated and to send a copy of this as soon as possible to the Auditor General. A copy of such written authority should also be sent to the Clerk to the Public Audit Committee. You should ensure that appropriate advice is tendered to the body on all matters of financial propriety and regularity and on the economic, efficient and effective use of resources. You will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to your own duty as Accountable Officer to seek written authority and notify the Auditor General.

5.2 You have particular responsibility to see that appropriate advice is tendered to the body on all matters of financial propriety and regularity and on the economic, efficient and effective use of resources. If you consider that the body is contemplating a course of action which you consider would infringe the requirements of financial regularity or propriety or that you could not defend as representing value for money within a framework of Best Value you should set out in writing the objection to the proposal and the reasons for this objection. If the body decides to proceed, you should seek written authority to take the action in question. In the case of a body sponsored by the Scottish Government the sponsor Directorate should be made aware of any such request in order that, where considered appropriate, it can inform the relevant Scottish Government Accountable Officer and Cabinet Secretary / Minister. Having received written authority you must comply with it, but should then, without undue delay, pass copies of the request for the written authority and the written authority itself to the Auditor General and the Clerk to the Public Audit Committee.

5.3 If because of the extreme urgency of the situation there is no time to submit advice in writing to the body in either of the eventualities referred to in paragraph 5.2 before the body takes a decision, you must ensure that, if the body overrules the advice, both your advice and the body's instructions are recorded in writing immediately afterwards.

5.4 If you are also a member of the Management Board of the body, you should ensure that your responsibilities as Accountable Officer do not conflict with those as a Board member. For example, if the body proposes action which as Accountable Officer you could not endorse, and would therefore advise against, you should, as a Board member, vote against such action, or ensure that your opposition as a Board member as well as Accountable Officer is clearly recorded if no formal vote is taken. It will not be sufficient to protect your position as a Board member merely by abstaining from a decision which cannot be supported.

6. APPEARANCE BEFORE THE PUBLIC AUDIT COMMITTEE

6.1 Under section 23 of the PFA Act the Auditor General may initiate examinations into the economy, efficiency and effectiveness with which any part of the Scottish Administration, or certain other bodies, have used their resources in discharging their functions. You may expect to be called upon to appear before the Public Audit Committee to give evidence on reports arising from any such examinations involving your body. You will also be expected to answer the questions of the Committee concerning resources and accounts for which you are Accountable Officer and on related activities. You may be supported by other officials who may, if necessary, join in giving evidence or the Committee may agree to hear evidence from other officials in your absence.

6.2 You will be expected to furnish the Committee with explanations of any indications of weakness in the matters covered by paragraphs 3 above, to which their attention has been drawn by the Auditor General or about which they may wish to question you.

6.3 In practice, you will have delegated authority widely, but cannot on that account disclaim responsibility. Nor, by convention, should you decline to answer questions where the events took place before your designation.

6.4 You must make sure that any written evidence or evidence given when called as a witness before the Public Audit Committee is accurate. You should also ensure that you are adequately and accurately briefed on matters that are likely to arise at the hearing. You may ask the Committee for leave to supply information not within your immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committee has contained errors, you should let this be made known to the Committee at the earliest possible moment.

6.5 In general, the rules and conventions governing appearances of officials before Committees of the Scottish Parliament apply, including the general convention that officials do not disclose the advice given to the body. Nevertheless, in a case where you were overruled by the body on a matter of propriety or regularity, your advice would be disclosed to the Committee. In a case where you

were overruled by the body on the economic, efficient and effective use of resources the Auditor General will have made clear in the report to the Committee that you were overruled. You should, however, avoid disclosure of the precise terms of the advice given to the body or disassociation from the decision. Subject, where appropriate, to the body's agreement you should be ready to discuss the costs, benefits and risks of options considered and explain the reasoning for the decision taken. You may also be called on to satisfy the Committee that all relevant financial considerations were brought to the body's attention before the decision was taken.

7. ABSENCE OF ACCOUNTABLE OFFICER

7.1 You should ensure that you are generally available for consultation, and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, there will be a senior officer in the body who can act on your behalf if required.

7.2 If it becomes clear to the body that you are so incapacitated that you will not be able to discharge these responsibilities over a period of four weeks or more, it should notify me so that I can appoint an Accountable Officer, pending your return. The same applies if, exceptionally, you plan an absence of more than four weeks during which you cannot be contacted.

7.3 Where you are unable by reason of incapacity or absence to sign the accounts in time for them to be submitted to the Auditor General the body may submit unsigned copies pending your return.

Section
B

Regulations of Meetings and Proceedings of the Board and its Committees

How the Board organises and carries out its business



1	General	18
2	Chair	20
3	Vice-Chair	20
4	Calling and Notice of Board Meetings	20
5	Conduct of Meetings	22
6	Matters reserved for the Board	26
7	Delegation of Authority by the Board	27
8	Execution of Documents	28
9	Committees	28
10	Remote Participation in Board Meetings	29

1. GENERAL

- 1.1 These Standing Orders for regulation of the conduct and proceedings of Western Isles NHS Board, the common name for NHS Western Isles Health Board, [the Board] and its Committees are made under the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

Healthcare Improvement Scotland and NHS National Services Scotland are constituted under a different legal basis, and are not subject to the above regulations. Consequently those bodies will have different Standing Orders.

The NHS Scotland Blueprint for Good Governance (issued through [DL 2019 02](#)) has informed these Standing Orders. The Blueprint describes the functions of the Board as:

- Setting the direction, clarifying priorities and defining expectations.
- Holding the executive to account and seeking assurance that the organisation is being effectively managed.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with stakeholders.
- Influencing the Board's and the organisation's culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development>)

- 1.2 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.
- 1.3 Any statutory provision, regulation or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.
- 1.4 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition or amendment. The Board will annually review its Standing Orders.
- 1.5 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination

suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification. The regulations (see paragraph 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

- 1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of the Western Isles NHS Board. The Commissioner for Public Standards can investigate complaints about members who are alleged to have breached their Code of Conduct. The Board will have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.
- 1.7 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.8 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders, and have regard to Section 5 of the Code of Conduct (Declaration of Interests).
- 1.9 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.
- 1.10 Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Standards Officer who shall make them available for public inspection at all reasonable times at the principal offices of the Board and on the Board's website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations, or cross-refer to where the information is published.
- 1.11 The Board's Business Manager shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2. CHAIR

- 2.1 The Scottish Ministers shall appoint the Chair of the Board.

3. VICE-CHAIR

- 3.1 The Chair shall nominate a candidate or candidates for vice-chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. A member who is an employee of a Board is disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.
- 3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Business Manager should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason) the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

4. CALLING AND NOTICE OF BOARD MEETINGS

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet at least six times in the year and will annually approve a forward schedule of meeting dates.
- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business, however this can only be for business which the Board is being informed of for awareness, rather than

being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.

- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.
- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.
- 4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.
- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.
- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally only working days (Monday to Friday) are to be used when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding Thursday. The three clear days would be Friday, Monday and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.
- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.

- 4.9 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.
- 4.10 Any individual or group or organisation which wishes to make a deputation to the Board must make an application to the Chair's Office at least 21 working days before the date of the meeting at which the deputation wish to be received. The application will state the subject and the proposed action to be taken.
- Any member may put any relevant question to the deputation, but will not express any opinion on the subject matter until the deputation has withdrawn. If the subject matter relates to an item of business on the agenda, no debate or discussion will take place until the item is considered in the order of business.
- Any individual or group or organisation which wishes to submit a petition to the Board will deliver the petition to the Chair's Office at least 21 working days before the meeting at which the subject matter may be considered. The Chair will decide whether or not the petition will be discussed at the meeting.

5. CONDUCT OF MEETINGS

Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. video-conferencing, teleconferencing. For the

avoidance of doubt, those members using such facilities will be regarded as present at the meeting.

- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

- 5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.
- 5.6 In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether or not that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration, and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member's, or an associate of their's, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However members still have to declare other interests as required by Section 5 of the Board Members' Code of Conduct.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that

meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.

- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether or not they are also members of the Board, e.g. stakeholder representatives.
- 5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

- 5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time and place. A meeting of the Board, or of a committee of the Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

Business of the Meeting

The Agenda

- 5.13 If a member wishes to add an item of business which is not in the notice of the meeting, he or she must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.
- 5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

Decision-Making

- 5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.16 The Chair will consider the discussion, and whether or not a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting

agreement to the outcomes from the discussion and the resulting decisions of the Board.

- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.
- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

Board Meeting in Private Session

- 5.22 The Board may agree to meet in private in order to consider certain items of business. The Board may decide to meet in private on the following grounds:
- The Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation.
 - The business relates to the commercial interests of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation.
 - The business necessarily involves reference to personal information, and requires to be discussed in private in order to uphold the Data Protection Principles.
 - The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.23 The minutes of the meeting will reflect when the Board has resolved to meet in private.

Minutes

- 5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.
- 5.25 The Board's Business Manager (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

6. MATTERS RESERVED FOR THE BOARD

Introduction

- 6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.
- 6.2 This section summarises the matters reserved to the Board:
- a) Standing Orders
 - b) The establishment and terms of reference of all its committees, and appointment of committee members
 - c) Organisational Values
 - d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
 - e) The Annual Operational Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Annual Operational Plan, the Board should receive it at a public Board meeting.)
 - f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
 - g) Risk Management Policy.
 - h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
 - i) Standing Financial Instructions and a Scheme of Delegation.
 - j) Annual accounts and report. (Note: Note: This must be considered when the Board meets in private session. In order to respect Parliamentary Privilege, the Board cannot publish the annual accounts or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly the Board cannot publish the report of the external auditors of their annual accounts in this period.)

- k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the [Scottish Capital Investment Manual](#).
- l) The Board shall approve the content, format, and frequency of performance reporting to the Board.
- m) The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)
- n) The contribution to Community Planning Partnerships through the associated improvement plans.
- o) Health & Safety Policy
- p) Arrangements for the approval of all other policies.
- q) The system for responding to any civil actions raised against the Board.
- r) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence

In relation to section n to r the Board may delegate some decision making to one or more executive Board members.

- 6.3 The Board may be required by law or Scottish Government direction to approve certain items of business, e.g. the integration schemes for a local authority area.
- 6.4 The Board itself may resolve that other items of business be presented to it for approval.

7. DELEGATION OF AUTHORITY BY THE BOARD

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions and the Scheme of Delegation. (located in Section G of this document.)
- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

8. EXECUTION OF DOCUMENTS

- 8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.
- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

9. COMMITTEES

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development website will identify the committees which the Board must establish. (<https://learn.nes.nhs.scot/17367/board-development>)
- 9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required, and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed
- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a Committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be

applied to committee meetings where the committee's membership consist of or include all the Board members. Where the committee's members includes some of the Board's members, the committee's meetings shall not be held in public and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise.. Generally Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However if the committee elects to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the meeting papers for restricted business papers with others.

- 9.6 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time, and shall call a meeting when requested to do so by the Board.
- 9.7 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of the Western Isles NHS Board and is not to be counted when determining the committee's quorum.

10. REMOTE PARTICIPATION IN BOARD MEETINGS

- 10.1 In line with the Health Boards (Membership & Procedures) (Scotland) Amendment Regulations 2005, meetings of the Board, or any of its Standing Committees or Sub-Committees, may be conducted in any other way in which each Member is enabled to participate although not present with other Members in a pre-determined place (e.g. through use of video-conferencing facilities).
- 10.2 A Board meeting shall be conducted in the above manner only on the direction of the Chairperson / Vice Chairperson of the Board.

Section
C

Scheme of Administration

Rules regarding
committee
membership and
how the
committees
function



1	Appointment of Committees	32
2	Standing Committees	32
3	Membership of Committees	33
4	Functioning of Committees and Working Groups	34
5	Minutes of Meetings of Committees and Sub-Committees	35
6	Scheme of Delegation to Committees and Sub-Committees	35
7	Reports by Executive Directors and Other Senior Officers	36
8	Reports to the Board, Committees, and Sub-Committees	37
9	Contracts	37

1 APPOINTMENT OF COMMITTEES

- 1.1 The Board shall appoint such Standing Committees, Special Committees and Sub-Committees as are required as a consequence of Statute, Regulation or Ministerial Direction. Additionally, the Board shall appoint such further Standing Committees, Special Committees and Sub-Committees as it determines are necessary for the safe, effective, sustainable and efficient governance of its services. .
- 1.2 The Board shall delegate or refer to such Committees and Sub-Committees such matters as it may from time to time consider appropriate. The matters so delegated or referred to Standing Committees and Sub-Committees shall be those set out in the Constitution and Terms of Reference of those Committees and Sub-Committees as detailed in Section 4 of this Code of Corporate Governance.
- 1.3 Subject to Statute, Regulation, or Ministerial Direction, the Board may by resolution of a simple majority of the whole number of Members of the Board, present and voting, vary the number, constitution and functions of Committees at any meeting of which due notice has been given specifying the proposed variation. The Standing Orders of Western Isles NHS Board as far as they are applicable shall apply to meetings of any Committees or Sub-Committees established by Western Isles NHS Board.
- 1.4 All Board Committees and Sub-Committees have the overarching purpose of supporting the delivery of the Board's objectives.

2. STANDING COMMITTEES

- 2.1 The Standing Committees and Sub-Committees of the Board shall be
 - ▶ Healthcare Governance and Audit Committee
 - ▶ Staff Governance Committee
 - ▶ Remuneration Committee
 - ▶ Patient Focus and Public Involvement Committee
 - ▶ Endowments Committee (see 2.2 below)
- 2.2 The Endowments Committee (established and will function within the parameters of Charitable status of The Office of the Scottish Charity Regulator ~OSCR) shall consist of **Trustees** of the Western Isles NHS Board Endowment Funds. All Board Members are Trustees.

The functions of Research and Development Ethics is carried out by the North of Scotland Research Ethics Service, on behalf of the Board, by NHS Grampian in

Aberdeen. Before approaching NHS Grampian individuals must obtain Health Board Research and Development approval.

3. MEMBERSHIP OF COMMITTEES

- 3.1 Subject to Statute, Regulation or Ministerial Direction, the Board shall appoint the membership of Standing Committees, Special Committees, and Sub-Committees. The Chairperson of the Board shall be an ex-officio member of all Committees and Sub-Committees except the Healthcare Governance and Audit Committee.
- 3.2 Every Board Committee shall include at least one Non-Executive Member of the Board and may include persons who are co-opted, and may consist wholly or partly of Members of the Board.
- 3.3 Any Sub-Committee may include persons who are co-opted and may consist wholly or partly of Members of the Board, or wholly of persons who are not Members of the Board.
- 3.4 In determining the membership of Committees and Sub-Committees, the Board shall have due regard to its purpose, role and remit, and accountability requirements. Certain Members may not be appointed to serve on particular Committees or Sub-Committees as a consequence of their positions. Specific exclusions are
- ▶ **Healthcare Governance and Audit Committee**
The Chairperson of the Board, as well as any Executive Member of the Board
 - ▶ **Remuneration Committee**
Any Executive Member of the Board
- 3.5 It shall be competent for the Board to vary the membership of Committees and Sub-Committees at any time, provided that
- ▶ In any case this is not contrary to Statute, Regulation or Direction by Scottish Ministers; and
 - ▶ Each member of the Board is afforded proper opportunity to serve on Committees.
- 3.6 Subject to Statute, Regulation or Direction by Scottish Ministers, the Board shall appoint Chairpersons and Vice-Chairpersons of Standing Committees and Sub-Committees, who shall normally hold office for two years. The Board may extend this term to ensure continuity of expertise. In the case of Board Members, appointments shall be dependent upon their continuing membership of the Board.

- 3.7 Unless otherwise determined by Statute, Regulation or Direction by Scottish Ministers, the persons appointed as Chairpersons of Standing Governance Committees shall be Non-Executive Members of the Board. In exceptional circumstances the Board can appoint a Chairperson of a Committee who is not a Non-Executive Member, this fact to be recorded in the Minutes of the Board meeting making the appointment.
- 3.8 Casual vacancies occurring in any Committee shall be filled by the Board at their next ordinary meeting following a vacancy occurring. The Board may agree to delegate to the Board Chairperson and the Chief Executive approval for the casual filling of vacancies.
- 3.9 The Chief Executive shall have the right of attendance at all Committees of which he/she is not a member, with the exception of the Remuneration Committee
- 3.10 The acts, meetings or proceedings of a Board Standing Committee or Sub-Committee shall not be invalidated by any vacancy in its membership or by any defect in the appointment of any member.
- 3.11 Standing Committees shall be reviewed annually by the Board, and as and when required. New Standing Committees shall be appointed initially at any time of the year, and reviewed after the first year of operation, and then annually in line with the other Committees.

4. FUNCTIONING OF COMMITTEES AND WORKING GROUPS

- 4.1 A Lead Executive Member or another specified Lead Officer shall be appointed to support the functioning of each Standing Committee, i.e. agreeing the agenda with the Committee Chairperson, organising the schedule of meetings and annual core business schedule, and ensuring that administrative support is provided by their Personal Assistant / Administrative support
- 4.2 Committees of the Board may appoint Sub-Committees as may be considered necessary, subject to approval by the Board. Where Sub-Committees are appointed to act on behalf of the Board, their Constitution and Terms of Reference should also be approved by the Board.
- 4.3 The Board or any Committee may from time to time establish working groups for such purposes as may be necessary and which are within the Terms of Reference of the Committee.
- 4.4 Where the functions of the Board are being carried out by Committees or Sub-Committees, the membership, including those co-opted members who are not Members of the Board, is deemed to be acting on behalf of the Board.

- 4.5 During intervals between meetings of the Board or its Committees, the Chief Executive shall have powers to deal with matters of urgency which fall within the terms of reference of any Standing Committee and require a decision which would normally be taken by the Committee, subject to advising, wherever possible, the Chairperson and the Vice-Chairperson of the Board and the Chairperson of the relevant Standing Committee. All decisions so taken should be reported to the next full meeting of the relevant Committee.

5. MINUTES OF MEETINGS OF COMMITTEES AND SUB-COMMITTEES

- 5.1 The approved, or draft agreed, Minutes of each Standing Committee of the Board shall be submitted as soon as is practicable to an ordinary meeting of the Board. Minutes are submitted to the Board for information, and for the consideration of any recommendations having been made by the Committee concerned. The Minutes of each Standing Sub-Committee shall be submitted as soon as practicable to its Parent Committee for information and for the consideration of any recommendations having been made by the Sub-Committee concerned.
- 5.2 Where Minutes are unconfirmed (draft agreed), this should be clearly documented.
- 5.3 The Minutes of each Standing Committee or Sub-Committee of the Board shall also be submitted to the next meeting of the Committee or Sub-Committee concerned for approval as a correct record. Approval shall be noted in the minutes of the succeeding meeting.
- 5.4 Minutes of the proceedings at a meeting of a Special Committee or of a Special Sub-Committee shall likewise be drawn up but these proceedings may be reported to the Board or to any Standing Committee of the Board either by the Minutes or in a report from the Special Committee or Sub-Committee as may be considered appropriate.

6. SCHEME OF DELEGATION TO COMMITTEES AND SUB-COMMITTEES

- 6.1 The Standing Committees and Sub-Committees shall have the terms of reference and specific delegated authority specified in the Constitution and Terms of Reference of Committees and Sub-Committees in Section D of this Code of Corporate Governance.
- 6.2 Each Standing Committee or Standing Sub-Committee shall have delegated authority to determine any matter within its Terms of Reference, with the exception of any specific restrictions contained in these Standing Orders or in its Terms of Reference. Any amendments should be notified to the Business Manager.

- 6.3 Committees and Sub-Committees shall conduct their business within their Terms of Reference, and in exercising the authority delegated to them shall do so always in accordance with the following provisions. However, in relation to any matter either not specifically referred to in the Terms of Reference, or in this Standing Order, it shall be competent for the Committee, whose remit the matter most closely resembles, to consider such a matter and to make any appropriate recommendations to the Board.
- 6.4 Committees and Sub-Committees shall exercise the authority delegated to them having regard to, and in accordance with, the policies of the Board.
- 6.5 Committees and Sub-Committees shall conduct any business relating to contracts always in accordance with the Codes of Conduct included in this Code of Corporate Governance.
- 6.6 The Board may if it so resolves deal with any matter falling within the Terms of Reference of any Committee or Sub-Committee without the requirement of receiving a report or minute of that Committee or sub-Committee referring to that matter.
- 6.7 Subject to Statute, Regulation or Ministerial Direction the Board may at any time vary, add to, restrict or recall any reference or delegation to any Committee or Sub-Committee, and any specific direction by the Board in relation to the remit of a Committee or Sub-Committee shall take precedence over the terms of any provision in the Terms of Reference.
- 6.8 If a matter is of common or joint interest to a number of Committees, and is a delegated matter, no action shall be taken until all relevant Committees have considered the matter.
- 6.9 In the event of a disagreement between Committees in respect of any such proposal or recommendation which falls within the delegated authority of one Committee, the decision of that Committee shall prevail. If the matter is referred but not delegated to any Committee, a report summarising the views of the various Committees shall be prepared by the appropriate officer and shall appear as an item of business on the agenda of the next convenient meeting of the Corporate Management Team or Board. In such cases, the Board will be responsible for making a final decision on the issues in question.

7. REPORTS BY EXECUTIVE DIRECTORS AND OTHER SENIOR OFFICERS

- 7.1 Reports to the Board, Committees and Sub-Committees shall be submitted by the appropriate Executive Director or other senior officer of the Board, when requested by the Board, Committee or Sub-Committee, or when, in the professional opinion of such officer, a report is required to enable the Board to comply with any Statute, Regulation or Ministerial Direction, or other rule of law, or where the exigencies of the service under his / her control so require.

- 7.2 Any observation by those officers on matters within their professional remit shall be incorporated into the report.
- 7.3 All Board reports shall normally be submitted in advance to the Board's Corporate Management Team, other than in exceptional circumstances.
- 7.4 Board reports must be compiled in line with the current agreed content, style and format template.

8. REPORTS TO THE BOARD, COMMITTEES OR SUB-COMMITTEES

- 8.1 Only those reports which require a decision to be taken by the Board, a Committee or Sub-Committee of the Board, or are necessary to enable the Board, Committee or Sub-Committee to discharge its business or exercise its monitoring role, will normally be included on the Agenda of the Board or any Committee or Sub-Committee. The Chief Executive shall have delegated authority to make the final determination on whether or not an item of business should be included on Board Agenda.

9. CONTRACTS

- 9.1 The Director of Finance and Procurement shall be responsible for maintaining a register of officers authorised to sign documents on behalf of the Board in accordance with the provisions of Standing Financial Instructions. An officer's authority to sign documents shall automatically cease on a change of post within the Board or ceasing for whatever reason to be an employee. Such events must be reported immediately to the Director of Finance and Procurement so that the register can be amended accordingly and financial system controls amended.
- 9.2 Contracts shall be executed on behalf of the Board as follows
- A contract which is executed in the form of an attested deed shall be subscribed on behalf of the Board by the Chairperson or Vice-Chairperson and Chief Executive
 - ▶ A contract in writing but not in deed form shall be executed on behalf of the Board by the Chief Executive or other officer acting on his authority.
 - ▶ A contract which may be validly made by parole may be made on behalf of the Board by the Chief Executive or other officer acting on his authority, but shall be confirmed in writing.
 - ▶ A building, engineering, property or capital contract shall be signed by the Chief Executive or other officer acting on his authority.

- ▶ Any document required to be completed on behalf of the Board in connection with legal proceedings, including the acquisition and disposal of property, shall be signed in accordance with Ministerial Direction.

Section
D

Constitution and Terms of Reference of Committees and Sub-Committees

Identifying the membership of Committees and Sub-Committees



1	Healthcare Governance and Audit Committee	41
2	Staff Governance Committee	49
3	Remuneration Committee	53
4	Endowments Committee	57
5	Area Clinical Forum	62
6	Area Partnership Forum	66
7	Corporate Management Team	81

Healthcare Governance and Audit Committee Term of Reference

1. INTRODUCTION

In January 2015 the Board approved the dissolution of both the Clinical Governance Committee and Risk Management and Audit Committee, and in their place approved the establishment of the Healthcare Governance and Audit Committee.

- 1.2 The Directors of NHS Western Isles are custodians of the entire governance system and processes, including Financial Governance. The Healthcare Governance and Audit Committee is constituted in line with MEL (2000) and guidelines set out within the NHS Audit and Assurance Committee Handbook.

2. PURPOSE

- 2.1 The Healthcare Governance and Audit Committee is a standing committee of NHS Western Isles and reports directly to the Board on its work.

The purpose of the Healthcare Governance and Audit Committee is to provide assurance to NHS Western Isles, based on evidence gained from scrutiny, challenge and review, on the adequacy, efficiency and effectiveness of the NHS Western Isles governance, risk management and internal control framework. The Committee will also provide assurance that appropriate structures are in place for clinical governance and financial governance to be supported effectively by the Board and that these structures are operating effectively and that action is being taken to address any areas of concern.

3. COMPOSITION AND TERM OF OFFICE

- 3.1 The Committee membership shall comprise
- ▶ Four Non-Executive Directors of NHS Western Isles from whom the Chairperson and Vice Chairperson shall be appointed.
- 3.2 The NHS Board Chairperson and Executive Directors of the Board are specifically excluded from being members of the Healthcare Governance and Audit Committee.
- 3.3 In order to avoid any potential conflict of interest, the Chairperson of the Healthcare Governance and Audit Committee shall not be the Chairperson of any other Statutory Governance Committee of the Board. Any member of the Healthcare Governance and Audit Committee who is the Chairperson of another Statutory Governance Committee should declare this for the minute prior to consideration of any issues relating to that Committee.

3.4 Membership of the Committee shall be reviewed by the Board Chairman on a biennial basis.

3.5 In addition, the following individuals will normally be in attendance:

- ▶ Board Chairperson
- ▶ Chief Executive
- ▶ Director of Finance and Procurement / Fraud Liaison Officer
- ▶ Nurse/AHP Director / Chief Operating Officer
- ▶ Medical Director
- ▶ Director of Human Resources & Workforce Development
- ▶ Director of Public Health
- ▶ Head of Clinical Governance & Professional Practice
- ▶ Head of Infection Prevention & Control, Decontamination and Cleaning Service
- ▶ External and Internal Auditors

4. REMIT

4.1 The remit of the Healthcare Governance and Audit Committee is to seek and obtain appropriate assurances on behalf of the Board that a framework of governance is in place and operating effectively.

The Healthcare Governance and Audit Committee must ensure that effective systems are in place for:

- ▶ the assessment, identification, recording, management and reduction or removal of clinical and non-clinical risk;
- ▶ the implementation of agreed and appropriate Scottish Patient Safety bundles and guidance;
- ▶ the assessment, planning, implementation and evaluation of agreed national clinical standards, guidelines, inspection and protocols;
- ▶ the development and implementation of effective and efficient action plans in response to national and local inspection and scrutiny reports;
- ▶ the detection, prevention, reporting and learning from events resulting in avoidable harm to patients, or near misses; and the efficient and effective handling and learning from complaints and claims.

The Healthcare Governance and Audit Committee must also ensure that:

- ▶ an effective system of internal control is maintained that gives reasonable assurance that assets are safeguarded, waste or inefficiency avoided, reliable financial information is produced, and that value for money is continuously sought;
- ▶ business is conducted in accordance with the law and proper standards;
- ▶ public money is safeguarded and properly accounted for;

- ▶ financial statements are prepared timeously and give a true and fair view of the financial position of the Board for the period in question;
- ▶ affairs are managed to secure economic, efficient and effective use of resources; and
- ▶ reasonable steps are taken to prevent and detect fraud and other irregularities.

4.2 To achieve its remit, the Committee will keep under review and report to the Board on its discharge of the following functions.

Internal Control and Corporate Governance

4.3 Approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

4.4 Evaluate the framework of internal control and corporate governance comprising the following components, as recommended by the Turnbull Report:

- ▶ Control environment;
- ▶ Risk management;
- ▶ Information and communication;
- ▶ Control procedures; and
- ▶ Monitoring and corrective action.

4.5 Review the system of internal financial control, which includes

- ▶ Safeguarding of assets against unauthorised use and disposition;
- ▶ Maintenance of proper accounting records; and
- ▶ Reliability of financial information used within the organisation or for publication.

4.6 Monitor performance and best value by reviewing the economy, efficiency and effectiveness of operations.

4.7 Review on behalf of the Board the disclosures included in the Governance statement. In considering the disclosures, the Committee will receive the information provided in support of the Governance statement and also the following:

- ▶ Annual reports from the main Standing Committees of Governance and the conclusions of the other statutory Committees, confirming whether they have fulfilled their remit and that there are adequate and effective internal controls operating within their particular area of operation;

- ▶ Details from the Chief Executive on the operation of the framework in place to ensure that he discharges his responsibilities as Accountable Officer as set out in the Accountable Officer Memorandum;
- ▶ Confirmation from Executive Directors that there are no known control issues nor breaches of Standing Orders or Standing Financial Instructions other than any disclosed within the Governance statement; and
- ▶ Summaries of any relevant significant reports by Healthcare Improvement Scotland (HIS) or other external review bodies.

4.8 Present an annual Assurance Statement on the above to the Board to support the Chief Executive's Statement of Responsibilities as the Accountable Officer.

Internal Audit

4.9 Carry out arrangements for the appointment of the Internal Auditors, review their terms of reference and audit fee and make appropriate recommendations to the Board.

4.10 Review and approve the Internal Audit Strategic and Annual Plans.

4.11 Monitor audit progress and review audit reports.

4.12 Monitor through an appropriate follow-up mechanism management action taken in response to audit recommendations.

4.13 Consider the Internal Auditor's annual report and assurance statement.

4.14 Review the operational effectiveness of Internal Audit by considering the audit standards, resources, staffing, technical competency and performance measures.

4.15 Ensure that there is direct contact between the Healthcare Governance and Audit Committee and the Internal Auditor and that a discussion with the Internal Auditor takes place at least twice a year and as required, without the presence of the Executive Directors.

4.16 Examine any reason for the resignation of the Auditors or early termination of the contract / service level agreement.

External Audit

4.17 Note the appointment of the External Auditor and in respect of the audit fee, make appropriate recommendations to the Board. Any amendments should be notified to the Business Manager.

4.18 Carry out arrangements for the appointment of the External Auditors for Endowment Funds and Patients' Funds, if the latter is appropriate, review

their terms of reference and audit fee, and make appropriate recommendations to the Board.

4.19 Review the Audit Strategy and Plan, including the Best Value programme, of the External Auditors.

4.20 Consider all audit material, in particular

- ▶ Audit reports;
- ▶ Annual reports; and
- ▶ Management letters

relating to the certification of the NHS Board's Annual Accounts, Patients' Funds Annual Accounts and Endowment Funds Annual Accounts.

4.21 Consider the findings of all National Audit Reports, identify and monitor the implementation of any necessary actions for the Board.

4.22 Ensure that there is direct contact between the Healthcare Governance and Audit Committee and the External Auditor and that a discussion with the External Auditor takes place at least twice a year and as required, without the presence of the Executive Directors.

4.23 Review the extent of co-operation between the External and Internal Auditors.

4.24 Appraise annually the performance of the External and Internal Auditors.

Standing Orders and Standing Financial Instructions

4.25 Oversee the regular review of Standing Orders, including the Scheme of Delegation, and Standing Financial Instructions of NHS Western Isles and advise the Board of any amendments required.

4.26 Examine the circumstances associated with each occasion when the provisions of the Board's Standing Orders, Standing Financial Instructions, or Scheme of Delegation have been waived, suspended or breached.

Annual Accounts

4.27 Review the draft Board Annual Accounts and recommend their approval to the Board in accordance with the timetable set from time to time by Scottish Government Health Directorates.

4.28 Review the Board's draft Annual Reports and Financial Review.

4.29 Review annually, and approve any changes in, the accounting policies of the Board.

- 4.30 Review schedules of losses and compensation payments and homologate action taken by the Head of Finance and Procurement and / or the Chief Executive.

Other Matters

- 4.31 The Committee is required to review its own performance, effectiveness, including its running costs, and terms of reference on an annual basis.
- 4.32 The Committee has a duty to keep up-to-date by having mechanisms to ensure topical legal and regulatory requirements are brought to members' attention.
- 4.33 The Committee shall monitor how the Board controls risk and possible litigation and may review the minutes of meetings of any group considering the subject of risk management, including risk assessment programmes and action plans.
- 4.34 The Committee shall review the arrangements for employees raising concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
- 4.35 The Committee shall agree the level of detail it wishes to receive from the Internal and External Auditors.
- 4.36 The Chairperson of the Committee should be available at Board meetings to answer questions about its work.
- 4.37 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report *Developing Best Value Arrangements*.

5. AUTHORITY

- 5.1 The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. Any amendments should be notified to the Business Manager.
- 5.2 In order to fulfil its remit, the Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend its meetings.

6. MEETINGS

- 6.1 The Healthcare Governance and Audit Committee shall meet at least four times each calendar year. Additional meetings may be held at the discretion of the Chairperson and meetings will normally be held in Board Premises. Attendance at meetings may be via video link.
- 6.2 The frequency and location of meetings can be varied at the discretion of the Chairperson where alternative arrangements are necessary to cover holiday months or other circumstances.
- 6.3 Meetings of the Committee will be quorate when at least two members are present. In the absence of the Chairperson the Vice Chairperson shall preside.
- 6.4 The Director of Finance and Procurement shall serve as Lead Director in support of the Committee.
- 6.5 The Committee should meet privately with the Internal and External Auditors at least twice a year, to seek appropriate assurances on behalf of the Board.
- 6.6 The Agenda will be agreed by the Chairperson and the Lead Director at least two weeks prior to the date of the meeting and all papers circulated two weeks in advance of the meeting date. Acceptance of late papers for circulation will be done with the Chairperson's approval and will only be accepted up to one week before the meeting date. Matters that can be correctly designated as *In-Confidence / Commercially Sensitive* shall be taken in camera Session. All associated reports shall be marked thus and their distribution restricted accordingly.

7. SUB-COMMITTEES

- 7.1 The Healthcare Governance and Audit Committee may appoint ad hoc Sub-Committees as appropriate to consider and provide advice on specific issues. Other established committees or working groups should be used in considering action plans and the wider impact on the organisation.

8. MINUTES AND REPORTING ARRANGEMENTS

- 8.1 Within seven days of each meeting the Draft Minutes will be issued to the Chairperson and the Lead Director for agreement. The agreed draft Minutes will be sent to each member within two weeks of the meeting seeking amendments and agreement. Responses are required within two working days. Amendments will be noted within the draft Minutes and the Chairperson will have final approval of the agreed draft Minutes. The agreed draft Minutes will be submitted to the next available NHS Board meeting for information. The agreed draft Minutes will also be circulated with the agenda and papers for the next committee meeting, for final approval.

- 8.2 Within 48 hours of each meeting an Action List arising from the meeting will be issued to all members, plus the attending members of NHS Western Isles by the individual providing administrative support.
- 8.3 The Healthcare Governance and Audit Committee shall submit to the Health Board no later than 30th June in each year an Annual Report on the Committee's activities for the preceding financial year.
- 8.4 The Chair will report to the Board, on an exception basis, any significant issues arising in advance of approved minutes being made available.

Staff Governance Committee Constitution and Term of Reference

1. INTRODUCTION

- 1.1 Non-Executive Members of Western Isles NHS Board are custodians of the entire governance process, including Staff Governance. Staff Governance can be described as ***a system of corporate accountability for the fair and effective management of staff***. The Staff Governance Committee is an integral and essential element of that governance process.

2. PURPOSE

- 2.1 The Staff Governance Committee is a standing committee of Western Isles NHS Board and reports directly to the Board on its work. The purpose of the Staff Governance Committee is to
- ▶ Support delivery of efficient and effective ;
 - ▶ Ensure that there are robust arrangements around the delivery of all elements of the Staff Governance Standard;
 - ▶ Approve the Staff Governance Action Plan
 - ▶ Focus on outcomes and evaluate progress in relation to the Staff Governance Action Plan; and

3. COMPOSITION AND TERM OF OFFICE

- 3.1 Membership of the Staff Governance Committee shall comprise
- ▶ Four Non-Executive Board Members (one of the four Non-Executive Members must be Employee Director)
- from whom the Chairperson and Vice Chairperson shall be appointed; and
- ▶ Two representatives from Staff Side organisations, to be nominated by Staff Side. .
- 3.2 Executive Directors of the Board and other managers are specifically excluded from membership of the Staff Governance Committee. For the purposes of the Staff Governance Committee the Employee Director is regarded as a Non-Executive Board Member.

3.3 In addition, the following will normally be in attendance

- ▶ Joint Chairpersons of the Area Partnership Forum
- ▶ Director of Human Resources and Workforce Development
- ▶ Director of Finance and Procurement
- ▶ Health and Safety Manager
- ▶ Representative of Area Clinical Forum
- ▶ Professional Practice Development Manager (Head of Clinical Governance and Professional) Practice

3.4 Other Members of Western Isles NHS Board, whilst not being members of the Committee, will have the right to attend meetings and have access to all papers.

4. REMIT

4.1 The Staff Governance Committee is the key element in ensuring appropriate and robust staff governance processes are in place within NHS Western Isles. As such, its remit will incorporate extending staff roles, staff regulation, quality of care linked to service redesign and its workforce implications.

5. FUNCTIONS AND OBJECTIVES

5.1 The specific responsibilities of the Staff Governance Committee are to

- ▶ Commission the introduction of structures and processes which ensure delivery against the Staff Governance Standard;
- ▶ Monitor and evaluate strategies and implementation plans relating to staff management;
- ▶ Propose and support any policy amendment, funding or resource submission to achieve the Staff Governance Standard;
- ▶ Take responsibility to ensure the timely submission of all staff governance information required for national monitoring arrangements; and
- ▶ Monitor the benefits realisation processes; and Provide staff governance information for the Statement on Internal Control.

5.2 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan / Calendar of Business for the Committee's

planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

- 5.3 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards relevant to the Committee's area of governance, as set out in Audit Scotland's baseline report *Developing Best Value Arrangements*.

6. AUTHORITY

- 6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. Any amendments should be notified to the Business Manager.
- 6.2 In order to fulfil its remit, the Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend its meetings.

7. MEETINGS

- 7.1 The Staff Governance Committee will meet at least four times each year, normally in Board headquarters. Attendance at meetings may be via video link.
- 7.2 The frequency and location of meetings can be varied at the discretion of the Chairperson where alternative arrangements are necessary to cover holiday months or other circumstances.
- 7.3 Meetings of the Committee will be quorate when three Non-Executive Members and one Staff Side representative are present. Appropriate deputies will be accepted only in exceptional circumstances. In the absence of the Chairperson the Vice Chairperson shall preside. In the absence of both the Chairperson and the Vice Chairperson, a Non-Executive Member shall act as Chairperson for the meeting.
- 7.4 The Head of Human Resources and Workforce Development shall serve as Senior Lead in support of the Committee.
- 7.5 The Agenda will be agreed by the Chairperson, the Employee Director and the Senior Lead two weeks prior to the date of the meeting and all papers circulated at least one week in advance of the meeting date.

8. SUB-COMMITTEES

- 8.1 The Staff Governance Committee may appoint ad hoc Sub-Committees as appropriate to consider and provide advice on specific issues. Other established committees or working groups should be used in considering action plans and the wider impact on the organisation.

9. MINUTES AND REPORTING ARRANGEMENTS

- 9.1 Within seven days of each meeting the Draft Minutes will be issued to the Chairperson and the Lead Director for agreement. The agreed Draft Minutes will be sent to each member with the agenda and papers for the next meeting, for approval. The approved Minutes will be submitted to the next available NHS Board meeting for information.
- 9.2 Within 48 hours of each meeting an Action List arising from the meeting will be issued to all members, plus the Corporate Management Team of NHS Western Isles by the individual providing administrative support.
- 9.3 The Staff Governance Committee shall submit to the NHS Board no later than 30 June in each year an Annual Report on the Committee's activities for the preceding financial year.
- 9.4 The Chair will report to the Board, on an exception bases, any significant issues arising in advance of approved minutes being made available.

Remuneration Committee Constitution and Term of Reference

1. PURPOSE

- 1.1 The Remuneration Committee is a standing committee of Western Isles NHS Board and reports directly to the Board on its work. The purpose of the Remuneration Committee is to support, and provide assurance to, the Board on all employment issues pertaining to the Executive Directors and Senior Manager cohort, and on certain employment issues pertaining to other staff.

2. COMPOSITION AND TERM OF OFFICE

- 2.1 The Members of the Remuneration Committee shall be:
- ▶ Western Isles NHS Board Chairperson;
 - ▶ The Chair of the Staff Governance Committee;
 - ▶ The Chair of the Healthcare Governance & Audit Committee; and
 - ▶ Employee Director.
- 2.2 Membership of the Committee shall be reviewed by the Board Chairperson on a biennial basis.
- 2.3 In addition, the following shall normally be in attendance
- ▶ Chief Executive
 - ▶ Director of Human Resources and Workforce Development shall be called upon for professional advice

3. REMIT

- 3.1 The Remuneration Committee's remit comprises
- ▶ All employment issues pertaining to Executive Directors and Senior Manager cohort; and
 - ▶ Certain employment issues of other staff

including terms of employment not under Ministerial Direction.

4. FUNCTIONS AND OBJECTIVES

4.1 The Remuneration Committee shall, in respect of the Chief Executive and the Executive Senior Management Cohort, approve

- ▶ Job Descriptions and Contracts of Employment
- ▶ Performance Objectives
- ▶ Performance Assessments and their financial implications
- ▶ Salary Uplifts
- ▶ Arrangements for Disciplinary Procedures
- ▶ Job Evaluation arrangements

all to meet the timetable requirements set by the Scottish Government Health Directorates.

4.2 In respect of other relevant managers the Committee shall receive a report showing the outcome of the Performance Assessment process and its financial implications.

4.3 The Committee shall consider proposals for the departure by voluntary redundancy, early retiral or termination of any staff whose departure will trigger a significant financial commitment, and approve these or refer the matter to the Board as it sees fit.

4.4 The Remuneration Committee shall approve payment of Discretionary Points to eligible specialist medical and dental staff based on competent recommendations from the appropriate advisory body.

4.5 The Committee shall hear and determine appeals against the recommendations of the appropriate advisory body.

4.6 The Remuneration Committee shall consider and endorse draft policies for Relocation Expenses and Leased Cars and recommend their approval to the Board.

4.7 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan / Calendar of Business for the Committee's planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

4.8 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards relevant to the Committee's area of governance, as set out in Audit Scotland's baseline report *Developing Best Value Arrangements*.

5. AUTHORITY

- 5.1 The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. Any amendments should be notified to the Business Manager.
- 5.2 In order to fulfil its remit, the Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend its meetings.

6. MEETINGS

- 6.1 The Committee shall meet at least four times each year, with further meetings held as necessary to conduct its business.
- 6.2 No meeting of the Committee will be quorate unless at least two members are present. The Board Chairperson shall chair the Committee failing whom the Board Vice-Chairperson shall preside. In the absence of both another Non-Executive Board Member shall chair the Committee.
- 6.3 The Director of Human Resources and Workforce Development shall attend all Committee meetings to provide professional advice and will act as Lead Director in support of the Committee.
- 6.4 Specific rules regarding attendance apply when the performance of the Chief Executive, the Executive Cohort and other managers is under discussion.

Chief Executive

The Chief Executive will leave the meeting when his / her performance is being discussed. The Director of Human Resources and Workforce Development will leave the meeting but be available in a professional advisory capacity.

Director of Human Resources and Workforce Development

The Chief Executive will remain for the discussion. The Director of Human Resources and Workforce Development will leave the meeting when his / her performance is being discussed.

Remainder of the Executive Cohort and Other Managers

The Chief Executive will remain for the discussion. The Director of Human Resources and Workforce Development will leave the meeting but be available in a professional advisory capacity.

- 6.5 The Agenda will be agreed by the Chairperson and the Lead Director two weeks prior to the date of the meeting and all papers circulated at least one week in advance of the meeting date.

7. SUB-COMMITTEES

7.1 Not applicable.

8. MINUTES AND REPORTING ARRANGEMENTS

- 8.1 Within seven days of each meeting the Draft Minutes will be issued to the Chairperson and the Senior Lead for agreement. The agreed Draft Minutes will be sent to each Committee Member with the agenda and papers for the next meeting, for approval.
- 8.2 A full copy of the approved Minutes will be sent ***In Confidence*** to all Non-Executive Board Members only.
- 8.3 Within 48 hours of each meeting an Action List arising from the meeting will be issued to all Committee members, plus the Chief Executive and Director of Human Resources and Workforce Development.
- 8.4 The Remuneration Committee shall submit to the Healthcare Governance and Audit Committee no later than 30 June in each year an Annual Report on the Committee's activities for the preceding financial year.
- 8.5 The Chair will report to the Board, on an exception bases, any significant issues arising in advance of approved minutes being made available.

Endowment Committee Constitution and Term of Reference

1. INTRODUCTION

- 1.1 Under Section 1 (7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 as amended Western Isles NHS Board Endowment Fund is entitled to describe itself as a Scottish Charity.
- 1.2 Under charity law, NHS Endowment Funds in Scotland are defined as “unincorporated charities” which are recognised by HM Revenue and Customs as charities for the purposes of Section 505, Income and Corporation Taxes Act 1988.
- 1.3 The Endowment Trustees have separate statutory responsibilities from those of the NHS Board Members and consequently, the Board of Trustees shall be constituted separately from Western Isles NHS Board.

2. PURPOSE

- 2.1 The Endowments Committee is a standing committee of Western Isles NHS Board. The purpose of the Endowments Committee is to
 - ▶ Keep under review the management and performance of NHS Western Isles Endowment Funds;
 - ▶ Provide assurance that funds are used in accordance with donors’ wishes;
 - ▶ Confirm that the Committee complies with the Charities and Trustee Investment (Scotland) Act 2005 and any other statutory regulations; and
 - ▶ Ensure that the activities of the Endowment Fund adhere to the Code of Corporate Governance approved by Western Isles NHS Board.

3. COMPOSITION AND TERM OF OFFICE

- 3.1 By virtue of their appointment by Scottish Ministers, all Executive and Non – executive Members of Western Isles NHS Board are *ex officio* Trustees of Western Isles NHS Board Endowment Fund.
- 3.2 The Chairperson of the Endowments Committee shall be the Chairperson of the Board and the Vice Chairperson shall be the Vice Chairperson of the Board. In the absence of both the Chairperson and the Vice Chairperson another Non-Executive Member will be appointed as Acting Chairperson.

- 3.3 Membership of the Committee shall be for the duration of a Trustee's appointment as a Board Member.
- 3.4 The Trustees are responsible for the Endowment Investment portfolio taking account of the following statutory and other provisions
- ▶ Charities Act 1992
 - ▶ Trustee Investment Act 1961
 - ▶ Trustee Act 2000
 - ▶ Charities and Trustee (Scotland) Act 2005
 - ▶ NHS Western Isles Code of Corporate Governance, including Standing Financial Instructions.

4. REMIT

- 4.1 To ensure that monies received for specific purposes are used in accordance with the expressed wishes of the legator or donor so far as is reasonably practical and to accept, hold and administer any property on trust for purposes related to health service or research, subject to any specified directions prohibiting such expenditure which may have been issued by Scottish Ministers.

5. FUNCTIONS AND OBJECTIVES

- 5.1 The core functions of the Endowments Committee will be to
- ▶ Appoint an Investment Adviser to the Fund as necessary and to review their performance over the agreed contract period and in accordance with the AICPA's Statement on Auditing Standards No. 70, Service Organizations (SAS 70), which contains the professional standards for auditors to report on the controls of a service organisation.
 - ▶ Determine the investment policy, taking cognisance of the capital value required to generate the required level of income and monitor the performance of the investments within that policy on a regular basis.
 - ▶ Ensure that proper financial records are maintained to manage the Endowment Fund and to comply with statutes and regulations.
 - ▶ Review and approve the Annual Accounts of the Endowment Fund and to authorise the Chairperson of the Board of Trustees, Chief Executive and Director of Finance and Procurement to sign the Annual Accounts on behalf of the Trustees. The Director of Finance and Procurement shall

ensure that annual accounts are prepared as soon as possible after the year end and in accordance with the Charities (Scotland) Act 1992.

- ▶ Approve an Endowment budget annually.
- ▶ Consider expenditure proposals in respect of specific endowments.
- ▶ Consider fund raising proposals.
- ▶ Ensure that monies received for specific purposes are used in accordance with the expressed wishes of the legator or donor so far as is reasonably practical.
- ▶ Taking account of advice of the Investment Adviser (if appointed), authorise investment and disinvestment decisions. The Investment Portfolio shall be reviewed with the Investment Adviser at least twice per annum.
- ▶ Appoint an External Auditor to the Endowment Fund.
- ▶ Authorise the Director of Finance and Procurement, following discussion with the Chairperson of the Board of Trustees and the Investment Adviser, to act on behalf of the Trustees on any urgent purchases or sales of investments.

5.2 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan / Calendar of Business for the Committee's planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

6. AUTHORITY

6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. Any amendments should be notified to the Business Manager.

6.2 In order to fulfil its remit, the Endowments Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend its meetings.

7. MEETINGS

- 7.1 The Endowments Committee shall meet as necessary and not less than twice in each financial year.
- 7.2 Meetings will be quorate when at least five Trustees are present. In the absence of the Chairperson the Vice Chairperson shall preside. In the absence of both the Chairperson and the Vice Chairperson, Trustees will nominate another Non-Executive Member as Chairperson for the meeting. Deputies will not count towards the quorum.
- 7.3 The proceedings of the Committee shall not be invalidated by any vacancy in membership or by any defect in the appointment of any Member.
- 7.4 All elements of the Committee's business relating to
- ▶ Investment of Endowment Funds; and
 - ▶ Donations where the Donor has requested anonymity
- shall be considered in Private Session, and all associated reports marked as *In Confidence* or *Commercially Sensitive* as appropriate.
- 7.5 The Director of Finance and Procurement shall serve as Lead Director in support of the Committee and ensure that all financial reports, records and accounts are made available to the Committee to allow the Trustees to discharge their duties.
- 7.6 The general obligation on Board and Committee members to declare an interest in an agenda item applies to Trustees. In line with advice from the NHS Scotland Central Legal Office, the following also applies to Trustees
- ▶ Holding any investment in areas included in the Investment Portfolio does not require any declaration by Trustees;
 - ▶ Being in a position of influence in any company or investment vehicle which features in the Portfolio does require a Declaration of Interest and a withdrawal from discussion on that item of business;
 - ▶ Trustees must also make a Declaration if they hold a position of authority or influence in any other organisation with which the Investment Fund might have a financial relationship.

8. SUB-COMMITTEES

8.1 Not Applicable.

9. MINUTES AND REPORTING ARRANGEMENTS

9.1 The Minutes of the meetings of the Endowment Committee will be approved and signed by the Chairperson at the next formal meeting of the Committee.

9.2 Draft minutes will normally be e-mailed to the Chairperson and Lead Director no later than one calendar week following the date of the meeting.

9.3 Within 48 hours of each meeting an Action List arising from the meeting will be issued to all Trustees.

9.4 As a Standing Committee, the Endowments Committee is directly accountable to the Board. As a Board of Trustees, the Committee is accountable to the Office of the Scottish Charities Regulator.

9.5 As the Health Board should not be seen as controlling or influencing the activities of the Trustees, it is not appropriate that the Endowments Committee submits an Annual Report to the Board. The review of the Annual Accounts by, and the Report by the External Auditors to, the Healthcare Governance and Audit Committee shall be held to be an appropriate substitute.

Area Clinical Forum Constitution and Term of Reference

1. INTRODUCTION

- 1.1 The Area Clinical Forum is constituted under the Rebuilding Our Health Service National Framework 2001, which emphasised that each NHS Board should draw on the full range of professional skills and expertise that exists in all parts of its local NHS system for advice on clinical and other professional matters.

2. PURPOSE

- 2.1 To provide NHS Western Isles with a stream of professional clinical advice in addition to that provided by the Board's designated advisors.

3. COMPOSITION AND TERM OF OFFICE

- 3.1 Membership of the Area Clinical Forum is for a period of four years.
- 3.2 Selection of the Chairperson of the Area Clinical Forum should be an open process. The Forum shall also appoint a Vice Chairperson. Any member of the Area Clinical Forum may put themselves forward as candidates for either position. Both the Chairperson and the Vice Chairperson shall hold office for four years.
- 3.3 The membership of the Area Clinical Forum shall comprise
- ▶ Chairperson of the Area Nursing and Midwifery Advisory Committee
 - ▶ Chairperson of the Allied Health Professionals Advisory Committee
 - ▶ Chairperson of the Area Medical Committee
 - ▶ Chairperson of the Area Dental Committee
 - ▶ Chairperson of the Area Pharmaceutical Committee
 - ▶ Optometrist
 - ▶ Healthcare Scientist
- 3.4 In addition, the following will normally be in attendance
- ▶ Chief Executive
 - ▶ Medical Director
 - ▶ Director of Public Health

- 3.5 Other Members of Western Isles NHS Board, whilst not being members of the Committee, will have the right to attend meetings and have access to all papers.

4 REMIT

- 4.1 The Forum shall draw up and approve, before the start of each financial year, an Annual Workplan / Calendar of Business for the Forum's planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

5. FUNCTIONS AND OBJECTIVES

- 5.1 The core function of Area Clinical Forum will be to support the work of NHS Western Isles by

- ▶ Playing an active role in advising NHS Western Isles on proposals for service development;
- ▶ Engaging widely with local clinicians and other professionals with a view to encouraging broader participation in the work of Area Professional Committees;
- ▶ Providing a clinical perspective on NHS Western Isles strategic objectives;
- ▶ Advising NHS Western Isles on specific proposals to improve the integration of services both within the local NHS system and across health and social care;
- ▶ Reviewing the business of the Area Professional Committees to ensure a co-ordinated approach on clinical matters among the different professions and within the component parts of the local NHS system;
- ▶ Sharing best practice amongst professionals and promoting multi-disciplinary working;
- ▶ Promoting policies relevant to primary and secondary care integration; and
- ▶ Producing an annual report on the work of the Area Clinical Forum.

6. AUTHORITY

- 6.1 The Forum is authorised by the Board to consider any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. . Any amendments should be notified to the Business Manager.

- 6.2 In order to fulfil its remit, the Forum may obtain whatever professional advice it requires, and request Directors or other officers of the Board to attend its meetings.

7. MEETINGS

- 7.1 The Area Clinical Forum shall meet as necessary and a minimum of four times each fiscal year. Meetings will normally be held in Board Headquarters.
- 7.2 The frequency and location of meetings can be varied at the discretion of the Chairperson where alternative arrangements are necessary to cover holiday months or other circumstances.
- 7.3 Meetings will be quorate when at least four members are present. In the absence of the Chairperson the Vice Chairperson shall preside. In the absence of both the Chairperson and the Vice Chairperson, members will nominate another member as Chairperson for the meeting.
- 7.4 The Board Medical Director shall serve as Lead Director in support of the Forum.
- 7.5 The Agenda will be agreed by the Chairperson two weeks prior to the date of each meeting and all papers circulated at least one week in advance of the meeting date.

8. SUB-COMMITTEES

- 8.1 The Area Clinical Forum may appoint ad hoc Sub-Committees as appropriate to consider and provide advice on specific issues. Other established committees or working groups should be used in considering action plans and the wider impact on the organisation.

9. MINUTES AND REPORTING ARRANGEMENTS

- 9.1 Secretariat support for the Area Clinical Forum will be provided by NHS Western Isles via the Medical Directors PA/Administrative Support.
- 9.2 Within seven days of each meeting the Draft Minutes will be issued to the Chairperson and Lead Director for agreement. The agreed Draft Minutes will be sent to each member with the agenda and papers for the next meeting, for approval. The approved Minutes will be submitted to the next available NHS Board meeting for information.

- 9.3 Within 48 hours of each meeting an Action List arising from the meeting will be issued to all members, plus the Corporate Management Team of NHS Western Isles, via the Board Secretary.
- 9.4 The Area Clinical Forum shall submit to the NHS Board no later than 30 June in each year an Annual Report on the Forum's activities for the preceding financial year.
- 9.5 The Chair will report to the Board, on an exception bases, any significant issues arising in advance of approved minutes being made available.

Area Partnership Forum Constitution and Term of Reference

1. INTRODUCTION

- 1.1 The Area Partnership Forum has a key role in ensuring that best practice is shared and achieved throughout NHS Western Isles. The Forum will ensure a system wide implementation and monitoring of all “Once for Scotland” Policies and will carry out any additional policy development and approval across the system to support staff governance. The Forum will also advocate, broker, and monitor Staff Side involvement in all aspects of service planning and strategy development.

2. PURPOSE

- 2.1 The purpose of the Area Partnership Forum is to facilitate and monitor the effectiveness of partnership working between management and staff across NHS Western Isles.
- 2.2 The Forum has a key role in the conduct of the overseeing the ongoing development of iMatter and the production of the annual Self-Assessment Audit Tool (SAAT) response. The Forum must ensure that local partnership arrangements are the method through which the Self-Assessment Audit is carried out to assess organisational performance against the standard. The Forum will ensure that the audit report and iMatters results form an integrated staff governance action plan.

3. COMPOSITION AND TERM OF OFFICE

- 3.1 The Joint Chairpersons of the Forum shall be the Chief Executive and the Employee Director.
- 3.2 Membership of the Area Partnership Forum shall comprise
- ▶ Chief Executive
 - ▶ Head of Human Resources and Workforce Development
 - ▶ Head of Finance and Procurement
 - ▶ Nurse/AHP Director / Chief Operating Officer
 - ▶ Medical Director
 - ▶ Director of Public Health
 - ▶ Communications / Claims Manager
 - ▶ Hospitals Manager
 - ▶ Chief Officer of the Integration Joint Board
 - ▶ Employee Director
 - ▶ A representative of each of the following organisations

UNISON
Royal College of Nursing
Royal College of Midwifery
UNITE
British Medical Association
British Dietetic Association
British Dental Association
Chartered Society of Physiotherapy
Society of Podiatrists
Society of Radiographers

3.3 In addition, the following may at the discretion of the Forum be invited to attend

- ▶ Chairperson of Staff Governance Committee
- ▶ Representative of Occupational Health
- ▶ Health and Safety Officer
- ▶ Non-Executive Board Members

3.4 Other Members of Western Isles NHS Board, whilst not being members of the Committee, will have the right to attend meetings and have access to all papers.

4. REMIT

4.1 The Area Partnership Forum will be involved in issues beyond Human Resources and take a proactive approach in embedding partnership working at all levels to assist the process of devolved decision making. The Forum will contribute to local and regional planning arrangements for service and workforce development and delivery and maximise employment security.

5. FUNCTIONS AND OBJECTIVES

5.1 The Area Partnership Forum's functions and objectives are to

- ▶ Provide support to the Staff Governance Committee and assist in the production of an annual report detailing its assessment of the employer's performance, which will form part of the SAAT;
- ▶ Oversee, monitor and evaluate the ongoing development of iMatters and the SAAT;
- ▶ Put in place any interim measurement and monitoring arrangements required between the SAAT and iMatters outcomes;

- ▶ Implement and monitor the implementation of all “once off Scotland” and any additional Human Resource policies and report to the Staff Governance Committee as required;
- ▶ Link with Committees, Sub-Committees and groups to ensure that partnership values and practices are in place in all parts of NHS Western Isles;
- ▶ Be Partnership Champions for NHS Western Isles in communicating the work of the Area Partnership Forum;
- ▶ Localise, implement and monitor the Partnership Information Network (PIN) policies;
- ▶ Contribute to the development of strategies and action plans to inform the NHS Western Isles Local Delivery Plan and the Local Development Plan;
- ▶ Consider and comment on other policies and strategies referred by the Board;
- ▶ Approve the Annual Workplan of, and receive minutes from, the Human Resources Forum;
- ▶ Participate in the improvement and development of sustainable services within budget;
- ▶ Respond to consultation from the Scottish Partnership Forum and Scottish Workforce Advisory Group;
- ▶ Assess the impact of decisions upon staff and patients;
- ▶ Represent patients’ and members’ interests; and
- ▶ Ensure that Staff Side representatives will be available and asked to participate in hearing panels in grievance and disciplinary matters.

5.2 The Forum shall draw up and approve, before the start of each financial year, an Annual Workplan / Calendar of Business for the Forum’s planned work during the forthcoming year. This document shall stipulate the dates of all meetings.

6. AUTHORITY

- 6.1 The Forum is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. . Any amendments should be notified to the Business Manager.
- 6.2 The Forum has the authority of the Board to develop and approve employment policies through the Partnership process.
- 6.3 In order to fulfil its remit, the Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend its meetings.
- 6.4 The External Auditor and Internal Auditor shall have the right of direct access to the Joint Chairpersons of the Area Partnership Forum.

7. MEETINGS

- 7.1 The Area Partnership Forum shall meet monthly and each meeting shall last for a maximum of two hours.
- 7.2 Meetings of the Committee will be quorate when at least four management members and four Staff Side members are present. No meeting shall be quorate if neither Joint Chairperson is present.
- 7.3 The Agenda will be agreed by the Joint Chairpersons two weeks prior to the date of the meeting and all papers circulated at least one week in advance of the meeting date.
- 7.4 The Joint Chairpersons will conduct business and maintain proper conduct of meetings. The Joint Chairpersons will also be responsible for ensuring that individual members uphold the partnership principles and standards of behaviour and cooperative spirit of the Forum.
- 7.5 The Area Partnership Forum shall be a place where effective meetings are conducted in an atmosphere of mutual respect, even when individuals are in disagreement over a specific issue. The following standards of behaviour are the ground rules to support this environment and all members are required to adhere to them.
 - ▶ There must be openness, honesty and transparency within all communications;
 - ▶ Jargon free language should be used and acronyms should be avoided wherever possible;

- ▶ Members who do not fully understand issues should ensure that they obtain clarity and understanding before arriving at a decision;
- ▶ There must be respect for each other as individuals with equal rights. Where disagreement or exploration of an idea takes place, the matter in hand should be discussed without taking issue with or attacking the individual making the point;
- ▶ The responsibilities that individuals have as representatives of their organisation should be recognised and respected;
- ▶ Confidentiality is essential within the Forum and parameters should be agreed and maintained. Where an issue is potentially sensitive, there must be agreement on how it will be communicated outwith the Forum and thus to maintain this level of confidentiality;
- ▶ Individuals have the right to express opinions and not be quoted to others external to the Forum; and
- ▶ Consensus should be the key goal as far as possible, with adequate time for discussion and debate. Where consensus is not reached and there is disagreement, but a recommendation has to be made, then the disagreeing parties and their reasons must be clearly identified in the minutes.

8. SUB-COMMITTEES

- 8.1 The Area Partnership Forum shall have as a Sub-Committee the Human Resources Forum. Other established committees or working groups should be used in considering action plans and the wider impact on the organisation.

9. MINUTES AND REPORTING ARRANGEMENTS

- 9.1 Within seven days of each meeting the Draft Minutes will be issued to the Joint Chairpersons for agreement. The agreed Draft Minutes will be sent to each member with the agenda and papers for the next meeting, for approval. The approved Minutes will be submitted to the next available Staff Governance Committee and NHS Board meeting for information.
- 9.2 Within 24 hours of each meeting an Action List arising from the meeting will be issued to all members.
- 9.3 The Chair will report to the Board, on an exception bases, any significant issues arising in advance of approved minutes being made available.

CORPORATE MANAGEMENT TEAM

1. INTRODUCTION

- 1.1 The NHS Western Isles Corporate Management Team is the overarching executive planning and decision making body responsible to the Board for providing leadership, direction, management of delivery, monitoring and evaluation of services.

2. REMIT

- 2.1 Its primary purpose is to support the Board to fulfil its responsibilities for the strategic development, leadership and performance management of the delivery of improved health, wellbeing and improved health services throughout the islands.
- 2.2 To provide a forum for members to consider all developing strategic and operational matters within the scope of the NHS Board's responsibilities and formally agree the executive team's position.
- 2.3 The remit includes:
- ✓ the operational implementation of Scottish Government and NHS Board strategies, directing, plans, and policies;
 - ✓ emerging operational matters from day-to-day activities,
 - ✓ legal and regulatory matters and other corporate responsibilities of the NHS Board,
 - ✓ the Corporate Management Team will ensure that NHS Western Isles has a holistic, system wide approach to operational planning and delivery.
 - ✓ protecting public health.

3. COMPOSITION

- 3.1 The Committee will comprise the following members:
- Board Chief Executive (Chair) [ED]
 - Nurse / AHP Director & Chief Operating Officer [ED]
 - Director of Public Health [ED]
 - Director of Finance & Procurement [ED]
 - Director of Human Resources and Workforce Development [ED]
 - Medical Director [ED]
 - Employee Director
 - Director of Dental Services
 - Associate Director of Mental Health and Learning Disabilities
 - Associated Medical Director for Primary Care
 - Hospitals Manager

- Head of Clinical Governance & Professional Practice
- Chief Officer, IJB
- Chief Pharmacist
- Head of Public Health Intelligence
- Head of Social and Partnership Services, CnES
- Head of Information Technology
- Communications & Claims Manager
- Corporate Business Manager

3.2 Attendance is recorded at each meeting, noted within the minute and reviewed annually.

ED = Executive Director

4. SUB-COMMITTEES

4.1 The Committee does not require to establish a sub-committee but will link as appropriate with the Integrated Corporate Management Team, Health and Social Care Partnership, Single Operating Division, and any other committee, or group as required.

5. MEETINGS

5.1 The Committee will meet monthly on a Tuesday morning. This can be varied at the discretion of the Chairperson. Meetings will normally be held in the Health Board Office, Stornoway. Attendance at meetings may be via video link.

5.2 In the absence of the Chief Executive, the Nurse/AHP Director and Chief Operating Officer will take the chair of the meeting.

5.3 The Corporate Business Manager will act as the secretary of this Committee.

6. NOTICE OF MEETING

6.1 Agenda papers shall be circulated to those on the agreed distribution list at least five working days prior to the meeting by e-mail.

6.2 Only urgent additional papers may be added at the discretion of the Chair.

7. MINUTES

7.1 The Minutes of the meetings of the CMT will be approved at the subsequent formal meeting of the Committee.

7.2 Draft minutes will be e-mailed to the Chairperson no later than two working days following the date of the meeting.

7.3 Action Points sheet will be circulated no later than two working days from the date of the meeting.

8. QUORUM

- 8.1 The Chairperson of the CMT is the Board Chief Executive. At least eight members of the Committee must be present in order to form a quorum, of which two must be Executive Directors.

Scheme of Delegation: Reservation of Powers and Delegation of Authority

Explaining the
level of authority
available to the
Board,
Committees and
individuals



1.	SCHEDULE OF MATTERS DELEGATED TO OFFICERS OF THE BOARD	
1.1	INTERPRETATION	76
1.2	CHIEF EXECUTIVE	
1.2.1	General Provisions	76
1.2.2	Finance	77
1.2.3	Legal Matters	78
1.2.4	Chief Executive Responsibility for Clinical Governance	79
1.2.5	Chief Executive Responsibility for Risk Management	79
1.2.6	Procurement of Supplies and Services	79
1.2.7	Human Resources	80
1.2.8	Patients' and Clients' Valuables	81
1.3	NURSE DIRECTOR	
1.3.1	General Provisions	81
1.3.2	Finance	82
1.3.3	Legal Matters	82
1.3.4	Procurement of Supplies and Services	82
1.3.5	Human Resources	83
1.3.6	Patients' and Clients' Valuables	83
1.4	DIRECTOR OF FINANCE	
1.4.1	Accountable Officer	84
1.4.2	Financial Statements	84
1.4.3	Corporate Governance and Management	84
1.4.4	Performance Management	85
1.4.5	Banking	85
1.4.6	Patients' and Clients' Valuables	85
1.5	Provisions Applicable To Other DIRECTORS	
1.5.1	General Provisions	86
1.5.2	Human Resources	86
1.6	Absence of officer to whom powers have been delegated	87
1.7	Senior Manager on-call	87
1.8	Detailed Scheme of Delegation	87

INTRODUCTION

The Purpose of this Section of the Code of Corporate Governance is to clearly set out the responsibilities and authority within the decision making process throughout the whole of NHS Western Isles in order to achieve the Board's objectives.

1. SCHEDULE OF MATTERS DELEGATED TO OFFICERS OF THE BOARD

1.1 INTERPRETATION

- Any reference in this scheme to a statutory or other provision shall be interpreted as a reference to that provision as amended from time to time by any subsequent legislation.
- Any power delegated to a nominated or specified officer in terms of this scheme may be exercised by such an officer or officers of his or her department as the officer may authorise.
- This Scheme of Delegation should be read in conjunction with the Board Standing Orders, Standing Financial Instructions, and Delegated Levels of Authority.

1.2 CHIEF EXECUTIVE

1.2.1 General Provisions

In the context of the Board's principal role to protect and improve the health of Western Isles residents, the Chief Executive as Accountable Officer shall have delegated authority and responsibility to secure the economical, efficient and effective operation and management of Western Isles NHS Board and to safeguard its assets:

- in accordance with the statutory requirements and responsibilities laid upon the Chief Executive as Accountable Officer for Western Isles NHS Board;
- in accordance with direction from the Scottish Government Health Department;
- in accordance with the current policies of and decisions made by the Board;
- within the limits of the resources available, subject to the approval of the Board;

- and in accordance with Standing Orders and Standing Financial Instructions.

The Chief Executive is authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Chairperson and the Vice-Chairperson of the Board, and the relevant Standing Committee Chairperson. Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Standing Committees to the Chief Executive, shall be reported to the Board or appropriate Standing Committee as soon as possible thereafter.

The Chief Executive is authorised to give a direction in special circumstances that any officer shall not exercise a delegated function subject to reporting on the terms of the direction to the next meeting of the appropriate Committee.

The Chief Executive has personal statutory accountability for all Health and Safety matters within NHS Western Isles.

The Chief Executive is empowered to take all steps necessary to assist the Board to develop, promote and monitor compliance with Standing Orders and Standing Financial Instructions, and appropriate guidance on standards of business conduct.

The Chief Executive is responsible for

- ▶ Identifying and evaluating the risks to which the Board is subject and for setting and communicating clear control objectives;
- ▶ Ensuring that there are adequate control systems in place which are regularly reviewed and maintained to keep abreast of changes to the risk, and that there are adequate information and communication processes to facilitate this (e.g. performance objectives / indicators, budgets, forecasts, and evidence of compliance with NHS controls assurance standards, etc.);
- ▶ Ensuring that the Board's decisions are implemented, that the organisation works effectively in accordance with government policy and public service values, and for the maintenance of proper financial stewardship;
- ▶ Submitting to the Board any additions or alterations to the Code of Corporate Governance which may be required for the better conduct of the business of the Board; and
- ▶ Signing the Governance Statement on behalf of the Board.

1.2.2 Finance

Resources shall be used only for the purpose for which they are allocated. The Chief Executive acting together with the Director of Finance and

Procurement has delegated authority to approve the transfer of funds not exceeding £1,000,000 between budget heads, including transfers from reserves and balances. The Chief Executive shall report to the Healthcare Governance and Audit Committee for formal inclusion in its Minutes those instances where this authority is exercised for sums in excess of £500,000, or where the change in use of the funds relates to matters of significant public interest.

The Chief Executive may, acting together with the Director of Finance and Procurement, and having taken all reasonable action to pursue recovery, approve the writing-off of losses, subject to the limits laid down by the Scottish Government Health Directorates. All such write-offs shall be reported in writing to the Healthcare Governance and Audit Committee no less frequently than in conjunction with the submission of the Board's Annual Accounts each year.

1.2.3 Legal Matters

The Chief Executive is authorised to institute, defend or appear in any legal proceedings or any inquiry, including proceedings before any statutory tribunal, board or authority, and following consideration of the advice of the Central Legal Office of the National Services Division, to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.

In circumstances where a claim against the Board is settled by a decision of a Court, and the decision is not subject to appeal, the Chief Executive shall implement the decision of the relevant Court on behalf of the Board.

In circumstances where the advice of the Central Legal Office is to reach an out-of-court settlement, the Chief Executive may, acting together with the Director of Finance and Procurement, settle claims against the Board, subject to a report being submitted thereafter to the Healthcare Governance and Audit Committee.

The Chief Executive, acting together with the Director of Finance and Procurement, may make **ex-gratia** payments subject to the limits laid down from time to time by the Scottish Government Health Department.

The arrangements for signing of documents in respect of matters covered by the Property Transactions Handbook shall be in accordance with the direction of Scottish Ministers. The Chief Executive is currently authorised to sign such documentation on behalf of the Board and Scottish Ministers.

1.2.4 Chief Executive Responsibility for Clinical Governance

The Chief Executive is responsible to the NHS Board for delivering clinical governance, and for ensuring that suitable local arrangements are in place and are integrated with existing structures such as clinical directorates. In this role, the Chief Executive has delegated operational planning and delivery responsibility for Clinical Governance to the Nurse/AHP Director / Chief Operating Officer, working closely with the Medical Director. The Chief Executive remains responsible for reporting to the board, and for taking any action it decides.

1.2.5 Chief Executive Responsibility for Risk Management

The Chief Executive has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds. This is achieved by the reporting through the NHS Board of all relevant information, including performance against objectives. The performance management arrangements operate within an environment of active risk management. The Chief Executive will lead, establish and ensure decisions accord with the Board's agreed Risk Appetite.

1.2.6 Procurement of Supplies and Services

The Chief Executive shall have responsibility for nominating officers or agents to act on behalf of the Board, for specifying, and issuing documentation associated with invitations to tender, and for receiving and opening of tenders.

Where post tender negotiations are required, the Chief Executive shall nominate in writing officers and/or agents to act on behalf of the Board.

The Chief Executive, acting together with the Director of Finance and Procurement, has authority to approve on behalf of the Board the acceptance of tenders, submitted in accordance with the Board's Standing Orders, up to a value of £1,000,000, within the limits of previously approved Revenue and Capital Budgets, where the most economically advantageous tender is to be accepted.

If accepting a tender which is not the lowest tender received it is mandatory that a detailed explanation for accepting the tender must be clearly recorded in the tender register.

The Chief Executive, through the Director of Finance and Procurement, shall produce a listing, including specimen signatures, of those officers or agents to whom he has given delegated authority to sign official orders on behalf of the Board.

1.2.7 Human Resources

The Chief Executive may appoint staff in accordance with the Board's Standing Orders, Human Resources Policies and Delegated Levels of Authority.

The Chief Executive may, after consultation and agreement with the Director of Human Resources, and the relevant Executive Director, amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance and Procurement must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to workforce planning, approved by the Board or Staff Governance Committee.

The Chief Executive has delegated authority from the Board to approve the establishment within NHS Western Isles of

- ▶ Salaried dentist posts under the systematic approach laid down in the ***Scottish Government Health Directorates Circular PCA(D)(2005)3***; and
- ▶ Salaried general practitioner posts under the systematic approach laid down in the ***Scottish Government Health Directorates Circular PCA(M)(2004)8*** and associated circulars.

The Chief Executive may attend and may authorise any member of staff to attend within and outwith the United Kingdom conferences, courses or meetings of relevant professional bodies and associations, provided that:

- attendance is relevant to the duties or professional development of that member of staff; and
- appropriate allowance has been made within approved budgets; or
- external reimbursement of costs is to be made to the Board.

The Chief Executive may, in accordance with the Board's agreed Employee Conduct Policy, take disciplinary action, in respect of members of staff, including dismissal where appropriate.

The Chief Executive shall have overall responsibility for ensuring that the Board complies with Health and Safety legislation, and for ensuring the effective implementation of the Board's policies in this regard.

The Chief Executive may, in consultation with the Director of Human Resources and Director of Finance and Procurement, approve applications to leave the employment of the Board on grounds of redundancy and/or early retirement by any employee provided the terms and conditions relating to the redundancy and/or early retirement are in accordance with the relevant Board

policy and the appropriate allowance has been made within agreed budget. All such applications and outcomes will be reported to the Remuneration Committee.

1.2.8 Patients & Clients Valuables

The Chief Executive shall have overall responsibility for ensuring that the Board complies with legislation in respect of patients/clients' valuables. The term 'valuables' shall mean all assets other than land and buildings. (e.g. furniture, pictures, jewellery, bank accounts, shares, cash.)

1.3 NURSE/AHP DIRECTOR & CHIEF OPERATING OFFICER

1.3.1 General Provisions

The Nurse/AHP Director & Chief Operating Officer of the Board shall have delegated authority and responsibility from the Board Chief Executive to secure the economical, efficient and effective operation and management of all the Operational Units apart from Corporate Services and to safeguard their assets:

- in accordance with the current policies and decisions made by the Board;
- within the limits of the resources made available to the Operational Units by the Board;
- in accordance with the Board's Standing Orders and Standing Financial Instructions; and
- in accordance with the relevant Scheme of Establishment.

Note: Any reference throughout this document to the Nurse/AHP Director & Chief Operating Officer in relation to Operational Units also applies to Directors of the Board in relation to Corporate Functions

The Nurse / AHP Director & Chief Operating Office will in the absence of the Chief Executive act as Deputy Chief Executive.

The Nurse/AHP Director & Chief Operating Officer has a general duty to assist the Chief Executive in fulfilling his/her responsibilities as the Accountable Officer of the Board.

The Nurse/AHP Director & Chief Operating Officer is authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Chairperson or the Vice-Chairperson of the Board, the Chief Executive and where appropriate the relevant Standing Committee Chairperson. Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Standing Committees to the Chief Executive and consequently the Nurse/AHP Director & Chief Operating Officer, shall be reported to the Board or appropriate Standing Committee as soon as possible thereafter.

1.3.2 Finance

Resources shall be used only for the purpose for which they are allocated, unless otherwise approved by the Nurse/AHP Director & Chief Operating Officer, after taking account of the advice of the Director of Finance and Procurement. The Nurse/AHP Director & Chief Operating Officer acting together with the designated Director of Finance and Procurement have delegated authority to approve the transfer of funds between budget heads, including transfers from reserves and balances, up to a maximum of £500,000 in any one instance.

The Nurse/AHP Director & Chief Operating Officer may, acting together with the Director of Finance and Procurement, and having taken all reasonable action to pursue recovery, approve the writing-off of losses in the Operational Units subject to the financial limits and categorisation of losses laid down from time to time by the Scottish Government Health Department.

1.3.3 Legal Matters

The Nurse/AHP Director & Chief Operating Officer is authorised to institute, defend or appear in any legal proceedings or any inquiry, (including proceedings before any statutory tribunal, board or authority) in respect of the Operational Unit and following consideration of the advice of the Central Legal Office of the National Services Division and in consultation with the Chief Executive, to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.

In circumstances where a claim against the Board is settled by a decision of a Court, and the decision is not subject to appeal, the Nurse/AHP Director & Chief Operating Officer shall, following consultation with the Chief Executive, implement the decision of the relevant Court on behalf of the Board.

The Nurse/AHP Director & Chief Operating Officer acting together with the Director of Finance and Procurement must bring to the attention of the Chief Executive any claim deemed to pose a significant risk to the Board's Revenue Resources.

1.3.4 Procurement of Supplies and Services

The Nurse/AHP Director & Chief Operating Officer acting together with the Director of Finance and Procurement, has authority to approve on behalf of the Board the acceptance of tenders, in respect of the Operational Units submitted in accordance with the Board's Standing Orders, up to a value defined within the Delegated Levels of Authority and within the limits of previously approved Revenue and Capital Budgets.

The Nurse/AHP Director & Chief Operating Officer shall work with the designated Finance Officer and the Director of Finance and Procurement to produce a listing, including specimen signatures, of those officers or agents to

whom he has given delegated authority to approve official orders on behalf of the Board and the Operational Unit.

1.3.5 Human Resources

The Nurse/AHP Director & Chief Operating Officer may appoint staff in accordance with the Board's Standing Orders, Human Resources Policies and Delegated Levels of Authority.

The Nurse/AHP Director & Chief Operating Officer may, after consultation and agreement with Human Resources and the Director of Finance and Procurement amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance and Procurement must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to workforce planning, approved by the Board or the Staff Governance Committee.

The Nurse/AHP Director & Chief Operating Officer may attend and may authorise any member of staff to attend within and outwith the United Kingdom conferences, courses or meetings of relevant professional bodies and associations, provided that:

- attendance is relevant to the duties or professional development of such member of staff; and
- appropriate allowance has been made within approved budgets; or
- external reimbursement of costs is to be made to the Board.

The Nurse/AHP Director & Chief Operating Officer may, in accordance with the Board's agreed Management of Employee Conduct Policy, take disciplinary action in respect of members of staff, including dismissal where appropriate.

The Nurse/AHP Director & Chief Operating Officer may, following consultation and agreement with the appropriate Human Resources Officer and the Director of Finance and Procurement and the Remuneration Sub Committee approve payment of honoraria to any employee within the Operational Units.

1.3.6 Patients & Clients' Valuables

The Nurse/AHP Director & Chief Operating Officer shall have overall responsibility for ensuring that the Board's Operational Units comply with legislation in respect of patients' and clients' valuables and that effective and efficient management arrangements are in place.

1.4 DIRECTOR OF FINANCE AND PROCUREMENT

Authority is delegated to the Director of Finance and Procurement as undernoted, in order to assist the Board and the Chief Executive in fulfilling their corporate responsibilities:

1.4.2 Accountable Officer

The Director of Finance and Procurement has a general duty to assist the Chief Executive in fulfilling his/her responsibilities as the Accountable Officer of the Board.

1.4.2 Financial Statements

The Director of Finance and Procurement is empowered to take all steps necessary to assist the Board to:

- Act within the law and ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;
- Maintain proper accounting records; and
- Prepare and submit for External Audit timeous financial statements which give a true and fair view of the financial position of the Board and its income and expenditure for the period in question.

1.4.3 Corporate Governance and Management

The Director of Finance and Procurement is authorised to put in place proper arrangements to ensure that the financial position of the Board is soundly based by ensuring that the Board, its Committees, and supporting management groupings receive appropriate, accurate and timely information and advice with regard to:

- The development of financial plans, budgets and projections;
- Compliance with statutory financial requirements and achievement of financial targets;
- The impact of planned future policies and known or foreseeable developments on the Board's financial position.

The Director of Finance and Procurement is empowered to take steps to ensure that proper arrangements are in place for:

- Developing and implementing systems of internal control, including systems of financial, operational and compliance controls and risk management;

- Developing, promoting and monitoring compliance with the Code of Corporate Governance and in particular, Standing Financial Instructions, and appropriate guidance on standards of business conduct;
- Developing and implementing strategies for the prevention and detection of fraud and irregularity;
- Internal Audit.

1.4.4 Performance Management

The Director of Finance and Procurement will work with the Chief Executive to ensure that suitable arrangements are in place to secure Best Value. These arrangements include procedures:

- for planning, appraisal, authorisation and control, accountability and evaluation of the use of resources;
- to ensure that performance targets and required outcomes are met and achieved.

1.4.5 Banking

The Director of Finance and Procurement is authorised to oversee the Board's arrangements in respect of accounts held in the name of the Board with the Government Banking Service and the commercial bankers duly appointed by the Board.

The Director of Finance and Procurement will be responsible for ensuring that the Government Banking Service and the commercial bankers are advised in writing of amendments to the panel of nominated authorised signatories.

1.4.6 Patients' and Clients' Valuables

The Director of Finance and Procurement has delegated authority to ensure that detailed operating procedures in relation to the management of the valuables of patients' and clients' (including the opening of bank accounts where appropriate) are compiled for use by staff involved in the management of patients' and clients valuables and financial affairs, in line with the terms of the Adults with Incapacity (Scotland) Act 2000.

1.5 PROVISION APPLICABLE TO OTHER DIRECTORS

1.5.1 General Provisions

Directors shall have delegated authority, and responsibility in conjunction with the Board Chief Executive and Nurse/AHP Director / Chief Operating Officer for securing the economical, efficient and effective operation and management of their own Directorates/ Departments and for safeguarding the assets of the Board.

Directors are authorised to take such measures as may be required in emergency situations, subject to advising, where possible, the Board Chief Executive, Nurse/AHP Director / Chief Operating Officer as appropriate, the Chairperson and the Vice-Chairperson of the Board or relevant Standing Committee Chairperson as appropriate.

Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Standing Committees to the relevant Director, shall be reported to the Board or appropriate Standing Committee as soon as possible thereafter.

1.5.2 Human Resources

Directors may appoint staff in accordance with the Board's Standing orders, Human Resource policies and Delegated Levels of Authority.

Designated Directors may, after consultation and agreement with the Director of Human Resources amend staffing establishments in respect of the number and grading of posts, subject to the limits within the Delegated Levels of Authority. In so doing, the Director of Finance and Procurement or his/her designated deputy as appropriate, must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to workforce planning, approved by the Board or Staff Governance Committee.

Directors may attend and may authorise any member of staff to attend within and outwith the United Kingdom, conferences, courses or meetings of relevant professional bodies and associations, provided that:

- attendance is relevant to the duties or professional development of such member of staff; and
- appropriate allowance must also be contained within approved budgets; or
- external reimbursement of costs is to be made to the Board.

Directors may, in accordance with the Board's agreed Employee Conduct Policy, take disciplinary action, in respect of members of staff, including dismissal where appropriate.

Directors shall have overall responsibility within their Directorates/Departments for ensuring compliance with Health and Safety legislation, and for ensuring the effective implementation of the Board's policies in this regard.

1.6 ABSENCE OF OFFICER TO WHOM POWERS HAVE BEEN DELEGATED

In the absence of a Director or other individual to whom powers have been delegated, those powers shall be exercised by that individual's superior unless the Board has approved alternative arrangements. If the Chief Executive is absent, powers delegated to him / her may be exercised by the Nurse/AHP Director / Chief Operating Officer as Deputy Chief Executive, or in whose absence, another Executive Director so designated.

1.7 SENIOR MANAGER ON CALL

When a senior manager is on call they may require to make decisions beyond their normal delegated authority. In such circumstances these decisions should be subsequently ratified at the earliest opportunity with the Chief Executive or appropriate Executive Director.

1.8 DETAILED SCHEME OF DELEGATION

The remainder of this Section of the Code of Corporate Governance comprises a detailed schedule of areas where powers are delegated to Committees, Sub-Committees, other groups, Executive Directors, and other individuals. An Index is overleaf.

DETAILED SCHEME OF DELEGATION INDEX

1	Corporate Governance	90
2	Relating to Standing Orders	93
3	Clinical Governance	95
4	Staff Governance	98
5	Risk Management	100
6	Health and Safety	104
7	Patient Focus Public Involvement / Diversity & Equality / Spiritual Care	105
8	Public Health	106
9	Health Planning	107
10	Access, Transfer, Referral and Discharge	108
11	Health Promotion	110
12	Information Governance	111
13	Emergency and Continuity Planning	114
14	Financial Governance	117
15	Management of Budgets	126
16	Family Practitioner Services	127
	GOVERNANCE COMMITTEES	
17	Healthcare Governance & Audit Committee	128
18	Advisory Committees	132

DETAILED SCHEME OF DELEGATION

Delegated matters in respect of decisions that may have a far reaching effect must be reported to the Chief Executive. **The delegation shown below is the lowest level to which authority is delegated.** Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other senior officers as appropriate. All items concerning finance must be carried out in accordance with Standing Financial Instructions and Standing Orders.

The tables below use the following abbreviations:

ACF	Area Clinical Forum	HG&AC	Healthcare Governance & Audit Committee
APF	Area Partnership Forum	HODs	Heads of Departments
BM	Business Manager	HoFP	Head of Finance and Procurement
CE	Chief Executive	HM	Hospitals Manager
CO-IJB	Chief Officer, IJB	MD	Medical Director
DoF	Director of Finance and Procurement	NAD/COO	Nurse/AHP Director & Chief Operating Officer
DPH	Director of Public Health	SFI	Standing Financial Instructions
DoHR&WD	Director of Human Resources and Workforce Development	SGC	Staff Governance Committee
HoCG&PD	Head of Clinical Governance and Professional Development	SGHSCD	Scottish Government Health & Social Care Department

1. Corporate Governance

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
1.1	Preparation and maintenance of the Board's Single Code of Corporate Governance	DoF	Business Manager	N/A		SGHD	Per cyclical review agreed by the Board
1.2	Corporate Strategy	CE	N/A	N/A		SGHD	Strategy & Action Plan Annually to Board
1.3	Corporate Plan & Objectives	CE	N/A	N/A		SGHD	Annually to Board
1.4	Standing Orders & Scheme of Delegation	DOF	Business Manager	N/A		SGHD	Per cyclical review agreed by the Board
1.5	Standing Financial Instructions	DoF	Principal Accountant			SFI	Per cyclical review agreed by the Board
1.6	Guidance on standards of Business Conduct	CE	Business Manager			SGHD	Annually to Board
1.7.	Record of officers authorised to sign documents on behalf of the Board	DoF				SFI	
1.7.1	Commissioning services via SLAs with other Health Boards	NAD/COO / DoF			As per Annual Operational / Financial Plan		Annual Report to CMT & RMAC

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
1.8	Extended Local Partnership Agreements and Joint Working Agreements with CnES	CE	Chief Officer IJB	Within existing delegated budget	Approved virement limits apply where financial commitment is beyond existing delegated budgets.	SFI and Standing Orders	Quarterly to CMT & Board
1.9	Development and maintenance of Performance Management Framework	CE	N/AC/COO	N/A	N/A	HIS Clinical Governance and Risk Management – National Standards (2005)	Annually to Board
1.9.1	Performance Management reporting & Monitoring arrangements	CE	DoF				
1.10	Losses and Special Payments All areas (see 14.28 Divisional Section for lower levels of delegation)	DoF	Principal Accountant	Up to £50,000	SGHD approval required	SFI CEL10 (2010) See section 14 – Finance	Annually to RMAC
		CE	Executive Directors	Up to £100,000	SGHD approval required. Beyond £100,000 NHS Board approval required	SFI CEL10 (2010)	Annually to RMAC

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
1.11	Legal Claims All claims	CE	Communications / Claims Manager		SGHD approval required for all legal claims in excess of £250,000		Annually to HG&AC
1.12	Performance Targets are identified, measured, monitored and achieved	CE	Executive Directors				Each formal Board Meeting
1.13	Deal with all legal matters of the Board and institute, defend or appeal any legal proceedings of the Board	CE	DoF				As and when required/arise to HG&AV
1.14	Compliance with legislation in respect of patients' property	DoF	Principal Accountant		Subject to periodic audit	SFI Section 19	
1.15	Strategies for the prevention and detection of fraud	DoF	Principal Accountant			CEL (2013) 11	Annually to HG&AC
1.16	Insurance Arrangements	DoF	Principal Accountant				

2. Relating to Standing Orders

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
2.1	Maintenance of Register of Board Member interests	CE	BM	N/A			Annually to Board
2.2	Review remits, terms of reference, quorate and reporting arrangements of Committees and Sub-Committees	CE	DoF	N/A			Annually to Board
2.3	Execution of Documents on behalf of Scottish Ministers relating to property transactions	CE & DoF	N/A				Annually to Board
2.4	Issuing, receiving, opening tenders and post-tender negotiations	CE & DoF	General Mangers & Facilities Manager				
2.5	Nominating Officers to issue, receive, open tenders and undertake post tender negotiations.	CE	DoF		Up to a value of £250,000 within limits of previously approved Revenue and capital Budgets.		
2.6	Waiver of formal tender procedures where necessary and in accordance with SFI Section 13	CE	DoF		Report to HG&AC. Include in tender register		

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
2.7	Accepting tenders where the most economically advantageous tender is accepted	CE	DoF		Between £250,000 & Up to £500,000 including VAT		HG&AC
2.8	Arrangements for the management of land, buildings and other assets belonging to or leased by the Board	CE	Estates Manager				
2.9	Approve a listing of jobbing contracts every 3 years	DoF / NAH/COO	Estates Manager				

3. Clinical Governance

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
3.1	Clinical Governance Strategy	CE	NAH/COO	Within existing resources / allocations	General Managers are responsible for implementing and embedding the Strategy	HIS Clinical Governance and Risk Management – National Standards (2005)	Annually to HG&AC. Strategy & Action Plan annually to Board
3.2	Implementation, review and amendment of Clinical Effectiveness Strategy	NAD/COO	HoCGPD	Within existing resources / allocations		HIS Clinical Governance and Risk Management – National Standards (2005) The Healthcare Quality Strategy for NHS Scotland	NAD/COO; Annually to Clinical Governance Committee. Strategy & Action Plan annually to Board
3.3	Approval of Research and Development Studies including associated clinical trials and indemnity agreements for commercial studies	MD	Head of Health Intelligence	N/A			As and when to HG&AC

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
3.4	Patient's Complaints Policy & Handling	CE	Complaints Manager	Within existing resources		HIS Clinical Governance and Risk Management – National Standards (2005)	Annually to HG&AC
3.4.1	Arrangements for monitoring and reporting of complaints	CE	Complaints Manager	Within existing resources		HIS Clinical Governance and Risk Management – National Standards (2005)	Each HG&AC
3.5	Implementation of evidenced based policies(EBP) , standards, good practice guidelines	NAD/COO	HoCGPD	Within existing resources			Reported and approved at the Clinical Policies Group. Monthly report to CMT on approved policies
3.6	Guidelines on the safe use of Cytotoxic Chemotherapy	MD	Head of Pharmacy		Guidelines in accordance with Medicines Act 1968	CEL (2012) 30 Revised Guidance for the Safe	As and when Alerts to OMG/SOD for

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
						Delivery of Systemic Anti-Cancer Therapy	escalation
3.7	Safer Management of Controlled drugs	NAD/COO				CEL (2008) 7	

4. Staff Governance

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
4.1	Staff Governance Standards & action plans	DoHR&WD	Deputy	Within existing resources	Agreement with SGC		Each SGC meeting
4.2	HR Strategies and Policies <ul style="list-style-type: none"> • Freedom of Speech Policies and Procedures • Staff Welfare policies • Compliance with legislation • Recruitment and Retention Strategies & Policies • Learning and Development Strategy • Personal Performance Management system 	DoHR&WD	Deputy	N/A	Consulted with HRF and agreement with APF	PIN guidelines	Each SGC meeting
4.3	Mandatory Training	DoHR&WD NAD/COO		N/A	Agreement with APF		Each HG&AC & SGC meeting
4.4	KSF and Executive Performance Framework	DoHR&WD	N/A	N/A		AfC terms & conditions Exec Perf Mgt circular	Each HG&AC & SGC meeting
4.5	Contracts of Employment	DoHR&WD	Deputy				By exception to CMT
4.6	Systems for pre-employment checks and screening on recruitment	DoHR&WD	Deputy	N/A		Recruitment policy. SFI. QIS Clinical Governance	Annually part of the SGC Annual Report

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
						& Risk Management standards	
4.6.1	Systems for registration checks Nurses & AHPs	NAD/COO	Senior Nurses, AHP heads	N/A			
4.6.2	Systems for registration checks <ul style="list-style-type: none"> • Doctors 	MD	N/A	N/A			
4.7	Workforce Planning	DoHR&WD	Head of HR Deputy	N/A		CEL(2011)32 – revised workforce planning guidance	Annually to SGC / CMT / SOD / APF / AHP AC / HRF / ACF / NMHAP Approved by CMT & then the Board
4.8	Communication with internal & external Stakeholders	CE	Communications / Claims Manager	Within delegated resources		Communication Strategy Media Handling Policy	CMT NHS Board Staff Governance Committee

5. Risk Management –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
5.1	Risk Management Strategy Including: <ul style="list-style-type: none"> • Incident reporting • Safety Action Alerts • Patient Safety 	NAD/COO	HoCGPD	N/A		NHS Western Isles Risk Management Strategy & Action Plan	Strategy & Action Plan Annually to the Board; Each HG&AC.
5.2	Corporate Risk Register Risk Appetite	CE	NAD/COO	N/A		NHS Western Isles Risk Management Strategy & Action Plan	Each meeting of the Board; each meeting of the HG&AC & CMT
5.3	Risk management policies/procedures	NAD/COO NAD/COO	HoCG&PD	Within allocated resources		CMO (2004)19 – Information sharing about children at risk: a guide to good practice	As required to HG&AC
5.3.1	Child Protection		Child Protection Snr Nurse			Children and Young People (Scotland) Act 2014	

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
5.3.2	Prescribing (doctors)	MD	N/A			HDL (2002)56 – Nurse prescribing: extension of nurse prescribing in NHSScotland: introduction of nurses prescribers' extended formulary	
5.3.3	Prescribing (nurses)	NAD/COO	HoSCG&PD				
5.3.4	Radiation	CE	Radiology Manager		IR(ME)R		
5.4	Healthcare Associated Infection	CE	NAD/COO	N/A		HEAT	
5.4.1	Compliance and adherence to national guidance and standards in healthcare acquired infection	NAD/COO	Head of Infection Prevention & Control, Decontami	N/A		HDL (2001)10 HDL (2001)53 HDL (2005)8 HDL (2005)7	infection control report to HG&AC
5.4.2	Decontamination						

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
5.4.3	Cleaning		nation and cleaning services			HIS 'Healthcare Associated Infection (HAI). Infection Control 2008	To each Board meeting, CMT & SOD
5.4.4	Infection control programmes, with clearly identified targets that can be reported on.					SGHD (2004) The NHSScotland Code of Practice for the Local Management of Hygiene and Healthcare Associated Infection HIS 'National Progress Report: Healthcare Associated Infection (HAI). Infection Control in NHS Scotland	Infection Control Committee reports to the Corporate Management Team . Each meeting of the Board

Delegated Matter/Principal Functions	Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
					2004	

6. Health and Safety

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
6.1	Ensure NHS Western Isles complies with Health and Safety legislations	NAD/COO	Health & Safety Manager	N/A	Responsible to Health & Safety Committee Hospitals Manager & Chief Officer of IJB responsible to NAD/COO for implementation	Health and Safety at work Act 1974	Each Health and Safety Committee
6.1.1	Systems for monitoring Health & Safety Including: <ul style="list-style-type: none"> ▪ RIDDOR ▪ Slips, trips and falls ▪ DATIX 						Annual report to the Board

7 Patient Focus Public Involvement / Diversity & Equality / Spiritual Care –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
7.1	Patient Focus Public Involvement Strategy	NAD/COO	N/A	No designated budget within allocation		HIS Clinical Governance and Risk Management standards	Annually to HG&AC Strategy & Action Plan annually to Board
7.2	Diversity & Equality Strategy	NAD/COO	Lead Chaplain	No designated budget within allocation		HIS Clinical Governance and Risk Management standards	Annually to HG&AC and PFPI Committee
7.2.1	Equality and diversity impact assess new and existing services						
7.2.2	Develop systems to identify, assess and respond to the needs of groups and individuals within the population, who have particular needs or preferences					Equality Act 2010	Strategy & Action Plan annually to Board
7.3	Policies/procedures relating to PFPI & Diversity & Equality					HIS Clinical Governance and Risk Management standards	Annually to HG&AC and PFPI Committee
7.3.1	Advocacy Strategy & Policy	NAD/COO	N/A				
7.32	Volunteering Policy	DoHR&WD	Deputy				Strategy & Action Plan annually to Board

8 Public Health –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
8.1	Communicable disease control process-	DPH	Health Protection Nurse Specialist	Within existing resources		DPH Annual Report	DPH annual report to HG&AC and Board
8.1.1	Surveillance						
8.1.2	Investigation						
8.1.3	Control & prevention of outbreaks						
8.2	National Immunisation programmes	DPH	Health Protection Nurse Specialist	Within existing resources	Key leads: Occupational Health department, Winter Planning team and hospital pharmacist.	DPH Annual report Vaccination biennial report	DPH annual report to HG&AC and Board
8.3	Population registers & screening programmes including: Cervical screening Breast screening Neonatal screening Audiology screening Diabetes retinopathy screening	DPH	Health Protection Nurse	Within existing resources		QIS standards	DPH annual report to HG&AC and Board Diabetes MCN annual report to HG&AC and Board HIS action plans annually to HG&AC

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
							(submitted to national leads)
8.4	Delivering programmes of Health Informatics and Health Intelligence in respect to local health needs	DPH	Head of Public Health Intelligence and Information	Within existing resources		Director of Public Health Report	Annual report to HG&AC

9. Health Planning

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
9.1	Annual Operational Plan	CE	DoPH		Business Manager responsible for production of the plan	SGHD	Annually to Board

10. Access, Transfer, Referral and Discharge –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
10.1	Waiting Times	NAD/COO	Hospitals Manager	Within budget allocation		HDL (2007) 09	Ass COO monthly to SOD – by exception to CMT ND/MD; to each HG&AC and Board
10.1.1	Cancer					HDL NO 54	
10.1.2	Out-Patients					30/10/03	
10.1.3	In-patients					HEAT Patient Access Policy	
10.2	Delayed Discharges	COIJB		Within allocated budget		MEL (2000)7 HEAT	SOD & CMT monthly Quarterly census to HG&AC
10.3	Public Information on access to services	CE	Hospitals Manager			NHS Western Isles Access Policy	

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
10.4	Referral and discharge policy and guidelines.	NAD/COO	GP Pathways Lead			HIS Clinical Governance and Risk Management standards	HG&AC
10.5	Patient consent policy	MD	HoCGPD			HIS Clinical Governance and Risk Management standards	As and when to HG&AC
10.6	Procedures for patients who wish to appeal against clinical decisions on their continuing healthcare	CE	NAD/COO	N/A		DL(2015)11	As and when to HG&AC

11 Health Promotion –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
11.1	Health Education & Health Promotion Strategies	DPH	Head of Health Improvement				Annual report & action plan to Board
11.2	Public Health Information Dissemination	DPH	Head of Public Health Intelligence & Health Information			Public Health website	Annual report to Board

12 Information Governance

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
12.1	Responsibility for Information Management Systems and facilities IM&T Strategy	CE	MD			Information Governance Policy	eHealth Programme Board
12.1.1	Confidentiality policy		Head of IT				Strategy & Action Plan annually to Board
12.1.2	Information security policy		Information Governance Manager				Information Governance Steering Group
12.1.3	Network security policy						Corporate Management Team
12.1.4							
12.2	Clinical responsibility for IM&T strategy	MD	Head of IT			Information Governance Policy	eHealth Programme Board
12.3	Caldicott Guardian	DoPH	MD	N/A		Information Governance Strategy	Corporate Management Team HG&AC
12.4	Information Governance	CE	Information Governance			Information Governance	Annual report to Board

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
	<ul style="list-style-type: none"> ▪ Data protection ▪ IT Security Freedom of Information		e Manager			Policy Data Protection Act 1998 Freedom of Information (Scotland) Act 2002 General Data Protection Regulation	Information Governance Steering Group Corporate Management Team monthly
12.5	Communication Strategy Media Handling Policy	CE	Communications / Claims Manager	N/A			Annually to HG&AC, PFPI, SGC and CMT. Strategy & Action Plan annually to Board
12.6	Procedures which will allocate the implementation of all relevant new legislation, regulations, Health Department circulars,	CE	Executive Directors				As and when to HG&AC.

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
12.6.1	good practice and case law Monitor the actions that have been taken in response to legal and regulatory requirements						

13 Emergency and Continuity Planning

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
13.1	Emergency Planning	CE	Emergency Planning & Business Continuity Facilitator	Within overall revenue allocation		Public Health & Clinical Governance Accountability Framework QIS Clinical Governance and Risk Management standards	Annually to CMT and Board Each EPPHICG
13.1.1	Major Incident Plan	NAD/COO	Emergency Planning & Business Continuity Facilitator	Within overall revenue allocation		QIS Clinical Governance and Risk Management standards Public Health & Clinical Governance Accountability Framework Major Incident Plan Lewis & Harris	Annually to CMT, HG&AC and Board Each EPPHICG

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
						Major Incident Plan Southern Isles MIPSI	
13.2	Pandemic Influenza Plan	DPH	Health Protection Nurse Specialist	Within overall revenue allocation	Operational Managers implement with advice / support / guidance from EPBCF	SGHD requirements	As required to Emergency Planning & Public Health Incident Co-ordinating Group Report to CMT as required
13.3	Winter Planning	NAD/COO	Chief Officer IJB	Within overall revenue allocation	Operational Managers implement with advice / support / guidance from EPBCF	SGHD	Annually to CMT & Board Annual report to H&SCC

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
13.4	Business Continuity Plans	NAD/COO	Head of Service Executive Directors			QIS Clinical Governance and Risk Management standards	Each EPPHICG Annually to CMT & Board

14 Financial Governance

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
14.1	Systems for funding decisions and business planning	DoF	Principal Accountant	N/A	In accordance with SFI	SFI	
14.2	Preparation of Governance Statement	DoF	Principal Accountant	N/A		HDL(2002) 11	Annually to Board & HG&AC
14.3	Annual accounts signatories	CE , DoF & Chair	N/A	N/A	The NHS Board Accounts Manual for Directors' Report and Accounts of NHS Boards and for Scottish Financial Returns		
14.4	Audit Certificate	Board's appointed external auditors	N/A	N/A	The NHS Board Accounts Manual for Directors' Report and Accounts of NHS Boards and for Scottish Financial Returns		
14.5	Preparation of Annual Revenue Plans and longer term plans for inclusion in Annual Operation Plan (AOP)	DoF	Principal Accountant	NHS Board Revenue Resource Limit	Approval required by NHS Board	Scottish Government guidance for AOP	

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
						produced annually	
14.6	Financial Monitoring Systems	DoF	Principal Accountant	N/A	Systems of Internal Control are tested through the Internal Audit Programme		Internal Audit Reports are presented to each meeting of the HG&AC
14.6.1	Systems of internal control, including systems of financial, operational and compliance controls and risk management						
14.6.2	Accounting records				Retention of Records Guidance – The National Archives Records Management Retention scheduling		Monthly to CMT , Board and to each HG&AC Meeting
14.6.3	Timeous financial statements that give a true and fair view of the financial position of the Board						
14.7	Preparation of Capital Plan	DoF	Principal Accountant	NHS Board Capital Resource Limit	Approval required by NHS Board		
14.8	Budget setting	DoF	Principal Accountant	As per Financial Plan	Limit as per Financial Plan		
14.9	Delegation of Budgets	C.E	DoF	As per Financial	Limit as per Financial Plan		

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
				Plan			
14.10	Financial Systems and Operating Procedures	DoF	Principal Accountant	N/A			
14.11	Authority to commit expenditure for which no provision has been made in approved plans/budgets	CE or DoF	DoF & Executive Directors	Up to £500,000	Board approval required above £500,000	Report to HG&AC	
14.12	Maintenance and operation of Bank Accounts	DoF	Principal Accountant	N/A	Government Banking Service operated by HMRC		
14.13	Virement of Budget between approved operational budgets for items where no provision has been made in approved plans including transfers from reserves and balances	CE	DoF	Up to £1,500,000 · Above £1,500,000 approval required by NHS Board		Above £500k report to HG&AC	
14.14	Virement of individual items provided that approval can be funded within the Board's overall Revenue and Capital Budgets	CE	DoF	Up to £500,000	Revenue Resource Limit / Capital Resource Limit		
14.15	Management of Contingencies: Allocation of general contingency budgets to operational budgets to mitigate the effect of unforeseen cost	CE	DoF	To value of contingency budget			

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
	pressures						
14.16	Management of Contingencies: Allocation of specific contingency budgets to operational budgets to fund anticipated expenditure e.g. pay awards	DoF	Principal Accountant	To value of specific contingency budget			
14.17	Management of Capital Programme.	CE	DoF	Allowing variation costs between 10% or £100,000 which ever is higher. Within framework approved by NHS Board.	Capital Resource Limit		
14.17.1	Delegated procurement limits						
	Approval Level 1	All Budget Holders		Under £1,000			
	Approval Level 2	Budget Holders on approval of Exec Director / Hospitals Manager /		Between £1,000 - £4,999.99			

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
		Chief Officer IJB/ CADO or GM					
	Approval Level 3	Procurement and other budget holders as approved by the Director of Finance		Between £5,000 – 19,999.99			
	Approval Level 4	Executive Director / Hospitals Manager / Chief Officer IJB/ CADO/GM/ DoF		Between £20,000- £49,999.99			
	Approval Level 5	C.E / MD/NAD/CO O, DoF		Between £50,000 - £99,999.99			
	Approval Level 6	C.E / MD / NAD/COO/Do F		Over £99,999.99			
14.18	Management of non-exchequer funds	DoF	Principal Accountant		NHS Endowment Funds – report and recommendations on governance and best practice		

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
					Dec 2013		
14.19	Management and control of stocks	DoF	Principal Accountant				
14.20	Management and control of debtors	DoF	Principal Accountant				
14.21	Condemnations, Losses and Special Payments				Subject to compliance with CEL (10) 2010		
14.21.1	Compensation Payments - ex gratia Up to £5,000	CE or DoF	N/A	<£5,000			
	Over £5,000	CE and DoF	N/A	>£5,000			
14.21.2	Other ex-gratia payments – other payments - Up to £2,500	CE or DoF	N/A	<£2,500			
	- Over £2,500	CE and DoF	N/A	>£2,500			

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
14.21.3	Stores/stock losses due to theft, fraud, arson, incidents of the service, disclosed at physical check - Less than £10,000	CE or DoF	N/A	<£10,000			
	- Over £10,000	CE & DoF or Other Director	N/A	>£10,000			
14.21.4	Stores/stock losses due to causes not mentioned above - Less than £20,000	CE or DoF	N/A	<£20,000			
	- Over £20,000	CE & DoF or Other Director	N/A	>£20,000			
14.21.5	Abandoned Claims - Up to £5,000	CE or DoF	N/A	<£5,000			
	- Over £5,000	CE & DoF or Other Director	N/A	>£5,000			

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
14.21.6	Damage to buildings - Up to £20,000 - Over £20,000	CE or DoF CE & DoF or Other Director	N/A N/A	<£20,000 >£20,000			
14.22	Condemnation & Disposal of property (excluding heritable property) items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively. Items declared surplus to NHS Board requirements: - Where sale is below £150,000	CE or DoF	Principal Accountant	<£150,000	Subject to declaration of property as surplus		

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
	– Where sale is above £150,000	CE and DoF	Principal Accountant & an Executive Director	>£150,000			
14.26	Management of Capital Budgets. Responsibility for keeping expenditure within budgets <ul style="list-style-type: none"> ▪ At individual budget level 	Nominated budget-holder	Named deputies	Budget notified	List to be maintained by Capital Accountant. Subject to confirmation of Capital resource availability.		Monitoring reports from Capital Accountant to Corporate Management Team
	▪ Single Operating Division	NAD/COO	Named deputies	Budget notified			
	▪ Contingencies	DoF	Principal Accountant	<£100,000			

15 Management of Budgets

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
15.1	Revenue Budgets						HoDs: Monthly reports to General Managers.
15.1.1	At individual budget level (pay and non-pay)	Nominated budget holder	Named Deputies	Budget notified	Responsibility for keeping expenditure within budgets	Job descriptions; SFI	General Managers:
15.1.2	At service level	Hospitals Manager / Chief Officer IJB/General Managers	Named Deputies	Budget notified	Responsibility for keeping expenditure within budgets		report to ND, CEO, DoF
15.1.3	For contingencies	DoF	Principal Accountant	N/A			DoF: Monthly report to Board
15.1.4	Virement of budget within Division	Hospitals Manager / Chief Officer IJB/General Managers DoF	Named Deputies Principal Accountant	<£50,000 per event <£100,000 per event	Responsibility for keeping expenditure within budgets		
15.1.5	Virement of Budget between Divisions/IJB	CE	DoF	<£500,000	Above £500,000 requires Board approval required		

16 Family Practitioner Services –

Delegated Matter/Principal Functions		Delegated to	Authorised Deputy	Financial value	Limitations / Comments	Reference Documents	Reporting
16.1	Preparation and Agreement of GMS Contracts	MD	Chief Officer IJB	Within overall budget in Financial Plan			Annually to CMT
16.2	Monitoring of	MD	Chief Officer IJB	Within overall budget in Financial Plan			Annually to CMT By exception HG&AC

17 Healthcare Governance & Audit Committee

Committee/Group		Scope	Limitations / Comments	Reference Documents	Reporting
17.1	Clinical Governance Committee	<ul style="list-style-type: none"> ▪ Refer to Section 4 Terms of Reference 			
17.2	Single Operating Division – Clinical Governance Operational Committee	<p>Co-ordinates the clinical effectiveness work of the Board and covers all aspects of safe and effective care by:</p> <ul style="list-style-type: none"> ▪ Ensuring appropriate and effective clinical governance systems are in place and working effectively. Being responsible for the implementation and delivery of governance systems and processes ▪ Commissioning and reviewing operational governance plans ▪ Delivering tangible improvements to patient care/experience ▪ Acting as a conduit for communication between clinical services and the Corporate Management 	<p>There are five working groups which report into this Committee comprising :</p> <ul style="list-style-type: none"> • Patient Safety • Uist & Barra Patient Safety Forum • Maternity (risk & Safety) • Learning Review • Critical Care & Resuscitation 	Terms of reference	<p>Quarterly reports to HG&AC</p> <p>Reporting agenda agreed by HG&AC Chairperson.</p> <p>Annual work plan and year end report submitted to HG&AC</p>

Committee/Group	Scope	Limitations / Comments	Reference Documents	Reporting
	<p>Team in relation to safe and effective care.</p> <ul style="list-style-type: none"> ▪ Providing a link between the Corporate Management Team and the Clinical Governance Committee in relation to safe and effective care <p>The role of the SOD Clinical Governance Committee includes the following areas of responsibility:</p> <p>Risk Respond and review incidents, and trends and direct work in relation to:</p> <ul style="list-style-type: none"> ▪ Policy, protocol development ▪ Identifying education/training packages in order to reduce the risk identified. The necessary development will be decided by SECC and directed to the local area for development. ▪ Complaints where changes 			

Committee/Group		Scope	Limitations / Comments	Reference Documents	Reporting
		<p>to practice, service design may be indicated</p> <p>Audit Direct, co-ordinate and review operational audit activity by:</p> <ul style="list-style-type: none"> ▪ Developing an annual audit plan in response to local and national priorities ▪ Receiving applications for audit for approval. Completed audit will be reviewed by the group for further action or direction. ▪ Prioritising audit against the organisation requirements. 			
17.3	Clinical Policies Group	<p>Policies The role of the Policies Group is to ensure policy development is evidence based by:</p> <ul style="list-style-type: none"> ▪ Directing the development of policies and protocols throughout the organisation in response to risks, national and local priorities. 			

Committee/Group		Scope	Limitations / Comments	Reference Documents	Reporting
		<ul style="list-style-type: none"> ▪ Ensuring policies are reviewed timeously ▪ Ensuring the process of policy development takes cognizance of national legislation/guidance, such as Diversity and Equality, PFPI, partnership principles. 			

18 Advisory Committees

Committee/Group	Scope	Limitations / Comments	Reference Documents	Reporting
18.1	<p>Area Clinical Forum (ACF)</p> <p>Review the business of the Area professional Committees to ensure a co-ordinated approach on clinical matters among the different professions and within the component parts of NHS Western Isles</p> <p>Promote work on service design, redesign and development priorities and play an active role in advising NHS Western Isles on proposals for service improvement</p> <p>Sharing best practice among the different professions and actively promoting multi-disciplinary working</p> <p>Engage widely with local clinicians and other professionals, with a view to encouraging broader participation in the work of the ACF</p> <p>Provide NHS Western Isles with a clinical perspective on</p>	<p>At the request of the Board the ACF may also be called upon to perform one or more of the following functions:</p> <ul style="list-style-type: none"> ▪ Take forward particular issues on which clinical input is required on behalf of NHS Western Isles, taking into account the evidence base, best practice, clinical governance and make proposals for their resolution ▪ Advise NHS Western isles on specific proposals to improve the integration of services, both within NHS Western Isles and across health and social care. 	<p>CEL (2010) 16 – Area Clinical Forum</p>	<p>Annual report to the Board.</p>

Committee/Group		Scope	Limitations / Comments	Reference Documents	Reporting
		the development of NHS Western Isles' strategic objectives			
18.2	Area Nursing & Midwifery Committee Area Medical Committee Area Dental Committee AHP Committee Area Pharmaceutical Committee	To co-ordinate and formulate advice from the various clinical professions to the Board via the ACF on matters of broad health care and in particular strategic issues.	Sub committees of ACF	CEL (2010) 16	Chairs of advisory committees report to each meeting of the ACF.
18.3	Infection Control Advisory Committee	NAD/COO			

Section
F

Delegation of Powers for Appointment of Staff

Guidance on
how certain
specific
categories of
staff are
appointed



1	Use of Powers	136
2	General Appointment Procedures	136
3	Detailed Appointment Procedures	137

1. USE OF POWERS

- 1.1 The powers delegated are to be exercised in accordance with procedures or guidance issued by the Scottish Government Health Directorates, or approved by the Board.
- 1.2 Procedures relating to the appointment of Consultants and Specialist Registrars are prescribed by Regulation and Direction. Within the prescribed procedures, NHS Western Isles Board has determined the composition of the Advisory Appointments Committee in respect of Consultants.
- 1.3 Appointments will be made within the delegated budgetary authority and responsibility in accordance with Standing Financial Instructions.

2. GENERAL APPOINTMENT PROCEDURES

- 2.1 The delegated authority to appoint staff is shown in the table below.

Post	To Be Appointed By
<ul style="list-style-type: none">• Chief Executive• Director Level Posts (other than Director of Public Health, Medical Director, and Consultant posts)	An NHS Western Isles Appointments Committee convened in accordance with paragraphs 3.2 or 3.3 below, as appropriate.
<ul style="list-style-type: none">• Director of Public Health• Medical Director• Consultant Posts	An NHS Western Isles Appointments Committee convened in accordance with paragraphs 3.4 to 3.8 below.
Executive Grade Posts	Chief Executive
Other Staff	Appropriate Head of Service

3. DETAILED APPOINTMENT PROCEDURES

3.1 The Board shall determine the precise composition of the Appointments Committee at the beginning of the appointment process. The principles to be observed for specific appointments are shown below.

Chief Executive

3.2 The Appointments Committee shall consist of

- ▶ Up to 4 Non-Executive Members including the Chairperson of NHS Western Isles, who shall chair the Appointments Committee; and
- ▶ Up to two external assessors, one of whom shall be a representative of the Scottish Government Health Directorates. The other external assessor shall hold the position of Chief Executive in either another NHS body or shall be the Chief Executive of the Local Authority.

Posts at Director Board Level

3.3 The Appointments Committee shall consist of

- ▶ Chairperson of NHS Western Isles;
- ▶ Up to two Non-Executive NHS Board Members;
- ▶ Chief Executive; and
- ▶ Two external assessors, one of whom shall be a representative of the Scottish Government Health Directorates, the other a representative of a relevant NHS or local authority partner organisation.

Director of Public Health, Medical Director and Consultant Posts

3.4 The Appointments Committee shall take the form of an Advisory Appointments Committee (AAC) in accordance with The National Health Service (Appointment of Consultants) (Scotland) Regulations 2009, as contained in SGHD CEL(2009)25.

3.5 Employing bodies make Consultant appointments on the advice of an AAC. An appointment cannot be made unless the candidate has been interviewed by the AAC and has been assessed by the majority of its members as suitable. The AAC does not make the appointment but acts in an advisory capacity to the employing body, which may decide to make no appointment, even although names of candidates assessed as suitable are provided by the AAC. If this

happens the employing body shall be expected to give to the AAC its reasons for not making an appointment.

3.6 The regulations set out the provisions governing membership of an AAC. An AAC shall normally consist of: four members appointed by the employing body, of whom

- ▶ One shall act as Chairperson;
- ▶ Not fewer than two shall be registered medical or dental practitioners, as appropriate to the post in question;
- ▶ One shall be the Chief Executive of the employing body;
- ▶ Where the appointment is in Public Health Medicine, one member shall be the Director of Public Health, or if for reasonable cause he / she is unable to act, a Consultant in Public Health Medicine.

Two Members in an appropriate specialty from the National Panel of Specialists, constituted in accordance with **Regulation 6**; while one of them may be employed by the employing body making the appointment, where possible it is preferable for both to come from out with the employing body.

3.7 Where for reasonable cause the Chief Executive of the employing body cannot attend, the Deputy Chief Executive of the employing body may be appointed to serve in their place. These arrangements must be confirmed with the Chairperson of the AAC. In the case of the appointment of the Director of Public Health or Medical Director, the responsibility of the Chief Executive must not be delegated.

3.8 A close relative of a candidate, or candidate's spouse or partner, may not serve on an AAC.

Section
G

Standing Financial Instructions

The key principles adopted to ensure robust financial control



1	Introduction	142
2.1	Responsibilities of the Chief Executive as Accountable Officer	146
2.2	Responsibilities of the Director of Finance and Procurement	150
2.3	Responsibilities of all Directors and Employees	150
3	Financial Strategy, Planning and Control	152
4	Commissioning / Providing Health Care Services	155
5	Annual Report and Accounts	157
6	Banking Arrangements	158
7	Security of Cash Etc.	159
8	Management of Assets	161
9	Income	165
10	Payment of Accounts	166
11	Payment of Salaries and Wages	169
12	Travel, Subsistence and Other Allowances	171
13	Contracting and Purchasing	172
14	Stores	173
15	Losses and Special Payments	174
16	Primary Care Contractors	175
17	Patients' Property and Funds	177
18	Audit	178
19	Financial Information Management and Technology	182

20	Risk Management and Insurance	183
21	Bribery	184

1. INTRODUCTION

Background

- 1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the financial directions issued by the Scottish Government Health Directorates under the provisions contained in the Regulation 4 of the NHS (Financial Provisions) (Scotland) Regulations, 1974 together with the subsequent guidance and requirements contained in NHS Circular No. 1974 (GEN) 88 and Annex, and NHS Circular MEL (1994) 80. Their purpose is to provide a sound basis for the control of the financial affairs of NHS Western Isles and shall have the effect as if incorporated in the Standing Orders of NHS Western Isles
- 1.2 The Chief Executive as Accountable Officer is ultimately responsible for ensuring that the Board meets its obligations to perform its functions within the allocated financial resources. The Director of Finance and Procurement is responsible for providing a sound framework of financial control that assists the Chief Executive in fulfilling these commitments.
- 1.3 The purpose of a scheme of financial control is to
- ▶ Ensure that NHS Western Isles acts within the law and that financial transactions are in accordance with the appropriate authority;
 - ▶ Ensure that proper accounting records, which are accurate and complete, are maintained;
 - ▶ Ensure that financial statements which give a true and fair view of the financial position of NHS Western Isles and its expenditure and income are prepared timeously;
 - ▶ Protect NHS Western Isles against the risk of fraud and irregularity;
 - ▶ Safeguard the assets of NHS Western Isles;
 - ▶ Ensure that proper standards of financial conduct are maintained;
 - ▶ Enable the provision of appropriate management information;
 - ▶ Ensure that NHS Western Isles seeks best value from its resources by making proper arrangements to pursue continuous improvement having regard to economy, efficiency and effectiveness in the operations of NHS Western Isles;
 - ▶ Ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements.
- 1.4 NHS Western Isles shall exercise financial supervision and control by:
- formulating the financial strategy

- requiring the submission and approval of financial plans and budgets within approved allocations/overall income:
- defining and approving essential features of financial arrangements in respect of important procedures and financial systems (including the need to obtain value for money);
- defining specific responsibilities placed on directors and officers as indicated in the Scheme of Delegation document.

Financial supervision and control will be managed within the financial resources made available to it, both directly and also through the framework introduced by Section 4 of the NHS and Community Care Act 1990.

Terminology

“NHS Western Isles” means all elements of the NHS under the auspices of Western Isles NHS Board.

"Board" and "Health Board" mean Western Isles NHS Board, the common name of Western Isles Health Board.

"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 Health Board.

"Budget Holder" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation. A Budget Holder may also be a Local Authority Employee, as defined below.

"Employee" means an employee of the Board. Additionally wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the Health Board when acting on behalf of the Health Board, e.g. agency staff, locums, employees of service providers.

“Local Authority Employee” means an employee of a local authority who is party to the Integration Scheme with Western Isles NHS Board, in circumstances where that employee carries out Directed Functions.

“Directed Functions” means a function which an Integration Joint Board has directed the Board to carry out under s.26 (1) of the Public Bodies (Joint Working) (Scotland) Act 2014.

"Chief Executive" means the Accountable Officer of the Health Board.

"Director of Finance and Procurement" means the chief financial officer of the Health Board.

"Legal Adviser" means the properly qualified person appointed by the Health Board to provide legal advice.

"Integration Joint Board" means a public body created under Section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014, which the Board has delegated some functions to through an integration scheme.

"Integration Functions" mean the functions that the Health Board has delegated to an Integration Joint Board through the relevant Integration Scheme.

"Integration Scheme" means the scheme prepared by the Health Board and the local authority, and approved by the Scottish Ministers, for the local authority area under Section 1(2) of the Public Bodies (Joint Working) (Scotland) Act 2014.

"Western Isles Endowment Fund" is the common name for registered charity called "Western Isles Health Board Endowment Fund". The members of the Board are trustees of the charity, and it is administered under the relevant sections of the National Health Service (Scotland) Act 1978 and in line with the Charities and Trustee Investment (Scotland) Act 2005.

1.5 The SFIs identify the financial responsibilities which apply to everyone working for the Board and its constituent organisations. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial operating procedure notes. All financial procedures must be approved by the Director of Finance and Procurement

1.6 These SFIs relate to Exchequer funds only – separate SFIs exist for Endowment funds.

Wherever the title Chief Executive, Director of Finance and Procurement, or other nominated officer issued in these instructions, it shall be deemed to include anyone who has been authorised to represent them.

All budget holders shall be provided with a summary of these SFIs with instructions as to where the full version can be located. Budget holders are expected to comply with the SFIs whilst discharging their responsibilities and to ensure that employees in their area of responsibility are aware of the SFIs, and how the SFIs affect the conduct of their duties.

It is anticipated that for the limited purpose of delivering the relevant and agreed joint working arrangements, such Local Authority Employees will be required to comply with certain relevant Board policies, including these SFIs. Local management will identify such policies.

To achieve the above, **all** employees must observe these SFIs and the above principles.

For budget holders and their staff, this will mean:-

- ▶ Agreeing their budget, and performing their duties strictly within that budget.
- ▶ Following all of the Board's approved policies and procedures.
- ▶ Acting within their levels of delegated authority.

Compliance

The responsibility of the Director of Finance and Procurement specified in the Standing Financial Instructions may be carried out by the Principal Accountant or other such senior finance officer as he or she might specify.

- 1.7 Members, officials and agents of NHS Western Isles, including, but not limited to, Local Authority employees working in joint Health and Social Care Partnership, shall observe these Standing Financial Instructions.
- 1.8 It is the responsibility of the Chief Executive to ensure that all existing staff and all new employees and agents are notified of their responsibilities under these SFIs. Executive Directors shall be responsible for ensuring that the Standing Financial Instructions are made known and disseminated within the services for which they are responsible and shall ensure that they are adhered to.
- 1.9 Failure to comply with these SFIs may result in disciplinary action being taken,
- 1.10 Where these SFIs place a duty upon any person the duty may be delegated to another person, agreement and subject to the Scheme of Delegation contained elsewhere within this Code of Corporate Governance.
- 1.11 Nothing in these SFIs shall be held to override any legal requirement or Ministerial Direction placed upon NHS Western Isles, its Members or officers.
- 1.12 Should any difficulty arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance must be sought.

2.1 RESPONSIBILITIES OF THE CHIEF EXECUTIVE AS THE ACCOUNTABLE OFFICER

- 2.1.1 Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of NHS Western Isles as Accountable Officer.
- 2.1.2 Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable Officers, and any updates issued to them by the Principal Accountable Officer for the Scottish Government. The Memorandum was updated in April 2006.

General Responsibilities

- 2.1.3 The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances for NHS Western Isles. The Accountable Officer must ensure that NHS Western Isles takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.
- 2.1.4 It is incumbent upon the Accountable Officer to combine his or her duties as Accountable Officer with their duty to NHS Western Isles and to whom he or she is responsible, and from whom they derive his or her authority. The NHS Western Isles is in turn responsible to the Scottish Parliament in respect of its policies, actions and conduct.
- 2.1.5 The Accountable Officer has a personal duty of signing the Annual Accounts of NHS Western Isles. Consequently, he or she may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament, and be expected to deal with questions arising from the Annual Accounts or, more commonly, from reports made to Parliament by the Auditor General for Scotland.
- 2.1.6 The Accountable Officer must ensure that any arrangements for delegation promote good management, and that he or she is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services.

Specific Responsibilities

2.1.7 The Accountable Officer must

- ▶ Ensure that from the outset proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes;
- ▶ Sign the Annual Accounts assigned to him or her, and in doing so accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by Scottish Ministers;
- ▶ Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manual, as well as in the form prescribed for published Annual Accounts;
- ▶ Ensure that the public funds for which he or she is responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official;
- ▶ Ensure that the assets for which he or she is responsible, such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate;
- ▶ Ensure that, in the consideration of policy proposals relating to expenditure, or income, for which he or she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where necessary brought to the attention of the Board;
- ▶ Ensure that any delegation of authority is accompanied by clear lines of control and accountability, together with reporting arrangements;
- ▶ Ensure that effective management systems appropriate for the achievement of the Board's objectives, including financial monitoring and control, have been put in place;
- ▶ Ensure that risks, whether to achievement of safety and an effective business objectives, regularity, propriety, or value for money, are identified, that their

significance is assessed and that systems appropriate to the risks are in place in all areas to manage them;

- ▶ Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard to economy, efficiency and effectiveness, and in a manner which encourages the observance of equal opportunities requirements;
- ▶ Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs or performance in relation to those objectives;
- ▶ Ensure managers at all levels are assigned well-defined responsibilities for making the best use of resources (both those assumed by their own commands and any made available to organisations or individuals outside NHS Western Isles) including a critical scrutiny of output and value for money;and
- ▶ Ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively

Regularity and Propriety of Expenditure

2.1.8 The Accountable Officer has a particular responsibility for ensuring compliance with parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in Budget Acts (or otherwise authorised by Section 65 of the Scotland Act 1998). Parliament's attention must be drawn to losses or special payments by appropriate notation in the Board's Annual Accounts. In the case of expenditure approved under the Budget Act, any payments made must be within the scope and amount specified in that Act.

2.1.9 All actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety, and professional codes of conduct. Care must be taken to avoid actual, potential, or perceived conflicts of interest when employing management consultants and their staff.

Advice to NHS Western Isles

- 2.1.10 The Accountable Officer has a duty to ensure that appropriate advice is provided to the Board on all matters of financial propriety and regularity, and more broadly, on all considerations of prudent and economical administration, efficiency and effectiveness.
- 2.1.11 If the Accountable Officer considers that, despite his or her advice to the contrary, the Board is contemplating a course of action which he or she considers would infringe the requirements of regularity or propriety, and that he or she would be required to take action that is inconsistent with the proper performance of his or her duties as Accountable Officer, he or she should, if possible, inform the Scottish Government Health Directorates' Accountable Officer, so that the Officer, if they considers it appropriate, can intervene and inform Scottish Ministers. If this is not possible, the Board's Accountable Officer should set out in writing his or her objection to the proposal and the reasons for the objection. If their advice is overruled and the Accountable Officer does not feel that he or she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, they should obtain written instructions from the Board and send a copy of his or her request for such instruction and of the instruction itself as soon as possible to the External Auditor and the Auditor General for Scotland.
- 2.1.12 The Accountable Officer must ensure that his or her responsibilities as Accountable Officer do not conflict with those as a Board member. He or she should vote against any action that they cannot endorse as Accountable Officer, and in the absence of a vote, ensure that his opposition as a Board member, as well as Accountable Officer, is clearly recorded.

Absence of the Accountable Officer

- 2.1.13 The Accountable Officer should ensure that he or she is generally available to be consulted, and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, a senior officer the Deputy Chief Executive is identified to act on his or her behalf if required.
- 2.1.14 In the event that the Accountable Officer would be unable to discharge his or her responsibilities for a period of four weeks or more, NHS Western Isles will notify the Director General of NHSScotland of the Scottish Government, in order that an Accountable Officer can be appointed pending his return.
- 2.1.15 Where an Accountable Officer is unable by reason of incapacity or absence to sign the Annual Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies pending the return of the Accountable Officer.

2.2 RESPONSIBILITIES OF THE DIRECTOR OF FINANCE AND PROCUREMENT

The Director of Finance and Procurement is responsible for:

- Provision of financial advice to the Board and its employees;
- Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further those policies;
- Ensuring that sufficient records are maintained to show and explain the Board's transactions, in order to disclose, with reasonable accuracy, the financial position of the Board at any time.
- The design, implementation and supervision of systems of internal financial control incorporating the principles of separation of duties and internal checks;
- The preparation of maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties and responsibilities;
- Setting accounting policies consistent with Scottish Government and guidance and generally accepted accounting practice;
- The Director of Finance and Procurement, on behalf of the Chief Executive, shall be responsible for supervising the implementation of the Board's Standing Financial Instructions and Financial Operating Procedures and for co-ordinating any action necessary to further these as agreed by the Chief Executive. The Director of Finance and Procurement shall review these annually and be accountable to the Board for these duties.

2.3 RESPONSIBILITIES OF ALL DIRECTORS AND EMPLOYEES AND LOCAL AUTHORITY EMPLOYEES

All directors and employees and Local Authority Employees, individually and working together are responsible for:

- Security of the Board's property;
- Avoiding loss;
- Exercising economy and efficiency in the use of NHS Western Isles resources;
- Complying with the requirements of Standing Orders, Standing Financial Instructions, Financial Operating Procedures and Scheme of Delegation.

All budget holders shall ensure that:-

- ▶ the Director of Finance and Procurement receives all information that is required to prepare

budgets;

- ▶ budgets are only used for their stated purpose; and
- ▶ budgets are never exceeded.

When a budget holder expects his or her expenditure will exceed his delegated budget, he or she must secure an increased budget, or seek explicit approval from the appropriate Executive Director to overspend in advance of doing so

All NHS staff and Local Authority Employees who commit NHS resources directly or indirectly must be impartial and honest in their conduct of business.

All employees and Local Authority Employees shall observe the requirements of MEL (1994) 48, which sets out the Standards of Business Conduct for all NHS staff. There are 3 crucial public service values which underpin the work of the health service:-

Conduct

There should be an absolute standard of honesty and integrity which should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers; in the use of information acquired in the course of NHS duties; in dealing with the assets of the NHS.

Accountability

Everything done by those who work in the NHS must be able to stand the test of parliamentary and public scrutiny, judgements on propriety and professional codes of conduct.

Openness

The Board should be open about its activities and plans so as to promote confidence between the component parts of NHS Western Isles, other health organisations and its staff, patients and the public.

All employees and Local Authority Employees shall:-

- ▶ ensure that the interest of patients remain paramount at all times;
- ▶ be impartial and honest in the conduct of their official business;
- ▶ use the public funds entrusted to them to the best advantage of the service, always ensuring value for money; and
- ▶ demonstrate appropriate ethical standards of personal conduct.

Furthermore all employees and Local Authority Employees shall not:-

- ▶ abuse their official position for the personal gain or to the benefit of their family or friends;
- ▶ undertake outside employment that could compromise their NHS duties; and
- ▶ seek to advantage or further their private business or interest in the course of their official duties.

The Head of Finance shall publish supplementary guidance and procedures to ensure that the above principles are understood and applied in practice.

The Board shall approve a Code of Conduct for Board members, in accordance with the Ethical Standards in Public Life Act (2000).

The Chief Executive shall establish procedures for voicing complaints or concerns about misadministration, breaches of the standards of conduct, suspicions of criminal behaviour (e.g. theft, fraud, bribery) and other concerns of an ethical nature.

All employees and Local Authority Employees must protect themselves and the Board from any allegations of impropriety by seeking advice from their line manager, or from the appropriate contact point, whenever there is any doubt as to the interpretation of these standards

3. FINANCIAL STRATEGY AND PLANNING

Financial Strategy and Planning

- 3.1 In accordance with guidance issued from time to time by the Scottish Government Health Directorates, the Chief Executive shall be responsible for leading an inclusive process, involving staff and partner organisations, to secure the compilation and approval by Western Isles NHS Board of the Annual Operational Plan for Western Isles. The Annual Operational Plan will also include local, regional and national health care plans covering primary, community and secondary services provided by NHS Western Isles.
- 3.2 By concisely describing the key health wellbeing and healthcare needs facing Western Isles, by setting out succinctly how these will be tackled and by whom, and by setting clear priorities, key milestones and other quantified improvement targets over time, the Annual Operation Plan will help to secure understanding of important health issues, a shared approach to taking action, and a common commitment to achieving results.

- 3.3 In order to ensure that the planned actions and developments within the Annual Operational Plan are affordable, the Chief Executive with the assistance of the Director of Finance and Procurement shall be responsible for the annual development and updating of a strategic NHS Western Isles Financial Plan. Every service development proposal must be supported by a full business case for approval by the Corporate Management Team.
- 3.4 The Financial Plan shall comprise both Revenue and Capital components, and shall be compiled within available resources, as determined by reference to the Revenue Resource Limit and Capital Resource Limit as notified or indicated by the Scottish Government Health Directorates, and as forecast for subsequent periods.
- 3.5 The Annual Operational Plan and the Financial Plan shall be submitted to the NHS Western Isles Corporate Management Team for detailed scrutiny and risk assessment, following which the Corporate Management Team shall be responsible for recommending approval of the Annual Operational Plan and the Financial Plan by NHS Western Isles. The Plan may also be discussed by Board members in a Board Development Session.
- 3.6 The Financial Plan shall be a component of the Annual Operational Plan, and shall be reconcilable to an annual update of the financial planning returns which the Director of Finance and Procurement will prepare and submit to the Scottish Government Health Directorates in accordance with guidance or direction issued from time to time.

Control

- 3.7 The Director of Finance and Procurement shall ensure that adequate financial and statistical systems are in place to monitor and control income and expenditure and to facilitate the compilation of financial plans, estimates and any investigations which may be required from time to time.
- 3.8 The Director of Finance and Procurement shall devise and maintain effective systems of budgetary control and all employees whom the NHS Western Isles and the Corporate Management Team may empower to engage staff or otherwise incur expenditure or to 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, activity or workforce variances from budget. The Director of Finance and Procurement shall be responsible for providing budgetary information and advice to enable the Chief Executive and other officers to carry out their budgetary responsibilities.

- 3.9 The Chief Executive may, within limits approved by NHS Western Isles, delegate authority for a budget or a part of a budget to the individual who will be responsible for the activities provided for within that budget. The terms of delegation 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 to the Chief Executive of regular reports upon the discharge of those delegated functions. Responsibility for overall budgetary control shall however remain with the Chief Executive.
- 3.10 Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance and Procurement, budgets shall be used only for the purpose for which they were provided and any budgeted funds not required for their designated purpose shall revert to the immediate control of the Chief Executive, unless covered by powers of virement delegated by the Chief Executive.
- 3.11 Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by the Chief Executive or Director of Finance and Procurement, subject to their authorised virement limit.
- 3.12 Delegated authority is granted, as undernoted, to approve the funding of individual items of expenditure, provided that approval can be funded within the Board's overall Revenue and Capital Budgets: the Chief Executive as the Accountable Officer, acting together with the Director of Finance and Procurement, has authority to approve individual items up to a value of £0.5m.

Delegated authority to other individuals for virement is set out in Section 14 of the Scheme of Delegation, contained in Section 5 of this Code.

This includes authority to approve the transfer of funds up to this level between budget heads, including transfer from reserves and balances.

- 3.13 The Director of Finance and Procurement 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.
- 3.14 There is a duty requiring the Chief Executive, and all employees and Local Authority Employees of NHS Western Isles not to exceed approved budgetary limits.
- 3.15 The Chief Executive shall be responsible for the negotiation of funding for the provision of services in accordance with the Annual Operational Plan and for establishing the arrangements for the cross boundary treatment of patients in accordance with the guidance of the Scottish Government Health Directorates. In carrying out these functions the Chief Executive shall take into account the advice of the Director of Finance and Procurement regarding:

- ▶ Costing and pricing of services;
 - ▶ Payment terms and conditions; and
 - ▶ Arrangements for funding in respect of patients from outwith Western Isles, and for the funding of the treatment of Western Isles residents other than by NHS Western Isles.
- 3.16 The Chief Executive shall also be responsible for approving agreements for the provision of support services to and from other NHS bodies.

Reporting

- 3.17 Any substantial funds arising from inability to action, or delay in the implementation of projects approved by NHS Western Isles, shall be reported in the first instance by the Chief Executive, together with advice on the use of such funds, to the Healthcare Governance and Audit Committee. The Committee shall report as appropriate to the Board of NHS Western Isles.
- 3.18 The Director of Finance and Procurement shall be responsible for compiling an Operational Finance Report for submission to the Corporate Management Team of NHS Western Isles monthly.
- 3.19 The Director of Finance and Procurement shall produce a regular Corporate Financial Report for submission to the Healthcare Governance and Audit Committee and to NHS Western Isles. This report shall highlight any significant in year variance from the Financial Plan together with a forecast of the outturn position for the financial year concerned, and shall recommend any proposed corrective action.
- 3.20 In order to fulfill these responsibilities, the Director of Finance and Procurement shall have right of access to all budget holders on budgetary related matters.

4. COMMISSIONING / PROVIDING HEALTHCARE SERVICES

- 4.1 The Chief Executive in conjunction with the Director of Finance and Procurement shall be responsible for ensuring that all services required or provided are covered by a series of Service Level Agreements (SLAs) or, if not, that adequate funds are retained or requested to pay for services obtained outside service agreements, all within the context of the approved Annual Operational Plan and Financial Plan. They shall be responsible for ensuring that the total service framework is affordable within the overall Revenue and Capital Resource Limits set by the Scottish Government Health Directorates.

- 4.2 The Chief Executive shall be responsible for ensuring that service agreements are placed with due regard to the need to achieve best value and the Chief Executive, Director of Finance and Procurement, Medical Director or Nurse/AHP Director/Chief Operating Officer will authorise all SLAs for the provision of health care services.
- 4.3 The Director of Finance and Procurement shall be responsible for agreeing the financial details contained in those SLAs agreed by the Board.
- 4.4 The Chief Executive shall be responsible for establishing robust financial arrangements, in accordance with guidance from the Scottish Government Health Directorates, for the treatment of Western Isles residents by other NHS systems, or by the private sector and for the treatment of residents of other health systems within NHS Western Isles.
- 4.5 The Director of Finance and Procurement shall be responsible for maintaining a system for the rendering and payment of SLAs invoices in accordance with the terms of SLAs, or otherwise in accordance with national guidance.
- 4.6 The Director of Public Health, in the capacity of Caldicott Guardian for NHS Western Isles, shall be responsible for ensuring that all systems operate in a way to maintain confidentiality of patient information as set out in the Data Protection Act 2018 and the General Data Protection Regulation under Caldicott guidance.
- 4.7 All SLAs should aim to implement the agreed priorities contained within the Annual Operational Plan (AOP) and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:
- the standards of service quality expected;
 - the relevant national service framework (if any);
 - the provision of reliable information on cost and volume of services; and
 - that SLAs are based on integrated care pathways.

5. ANNUAL REPORT AND ACCOUNTS

- 5.1 NHS Western Isles is required under the terms of Section 86(3) of the National Health Service (Scotland) Act 1978 to prepare and submit Annual Accounts to Scottish Ministers.
- 5.2 Scottish Ministers have issued Accounts Directions in exercise of the powers conferred by Section 86(1) of the National Health Service (Scotland) Act 1978.
- 5.3 The Director of Finance and Procurement, on behalf of the Board, shall prepare, certify and submit audited Annual Accounts to the Scottish Government Health Directorates in respect of each financial year in such a form as the Scottish Government Health Directorates may direct.
- 5.4 The Director of Finance and Procurement will ensure that the Annual Accounts and financial returns are prepared in accordance with guidance issued in, and / or consequent upon, the Government Financial Reporting Manual (FreM), detailing the accounts and returns to be prepared, the accounting standards to be adopted and the timetable for submission to the Scottish Government Health Directorates.
- 5.5 The Annual Accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses, balance sheet and cash flow statement. Subject to the foregoing requirement, the Annual Accounts shall also contain any disclosure and accounting requirements which Scottish Ministers may issue from time to time.
- 5.6 Annual Accounts shall be prepared by NHS Western Isles in accordance with all appropriate regulatory requirements and be supported by appropriate accounting records and working papers prepared to an acceptable professional standard.
- 5.7 In support of the Annual Accounts, the Chief Executive shall be responsible for preparing a Statement on Internal Control in respect of NHS Western Isles and in so doing shall seek appropriate assurances, including that of the Chief Internal Auditor, with regard to the adequacy of internal control throughout the organisation.
- 5.8 The Annual Accounts of NHS Western Isles shall be reviewed by the Healthcare Governance and Audit Committee, which has responsibility for recommending, through submission of an Annual Assurance Statement, adoption of the Annual Accounts by NHS Western Isles. The Annual Accounts shall be subject to statutory audit by the External Auditor appointed by Auditor General
- 5.9 The Director of Finance and Procurement shall agree with the External Auditor a timetable for the production, audit, adoption by NHS Western Isles and submission of Annual Accounts to the Auditor General for Scotland and the

Scottish Government Health Directorates. This timetable shall at all times be consistent with the requirements of the Scottish Government Health Directorates.

- 5.10 Under the terms of the Public Finance and Accountability (Scotland) Act 2000, Annual Accounts may not be placed in the public domain prior to them being formally laid before Parliament and permission being given by the Scottish Government Health Directorates.
- 5.11 The Chief Executive shall arrange for the production and circulation of an Annual Report for NHS Western Isles in such form as may be determined by the Scottish Government Health Directorates.
- 5.12 The Director of Finance and Procurement shall prepare for inclusion in the Annual Report a Financial Statement, in accordance with relevant guidelines, for submission to Board Members and others who need to be aware of the Board's financial performance.
- 5.13 The Annual Report shall be discussed at a public meeting which must take place no later than six months after the relevant accounting date. The paper will not be made available to the public until laid before Parliament – note 5.10

6. BANKING ARRANGEMENTS

- 6.1 The Director of Finance and Procurement shall advise the Board on the provision of banking services taking account of any guidance issued by the Scottish Government Health Directorates, and all arrangements with the Board's bankers shall be made by or under arrangements approved by the Director of Finance and Procurement.
- 6.2 The Director of Finance and Procurement shall be authorised by the Scheme of Delegation to operate such bank accounts as may be considered necessary, but always in accordance with Scottish Government Health Directorates' guidance, and shall report to the Board on the details of all accounts so opened including the conditions on which they are operating.
- 6.3 All funds shall be held in accounts in the name of the Board.
- 6.4 Cheques drawn on commercial bank accounts will be signed by the Director of Finance.
- 6.5 All cheques (which shall be crossed with "Not Negotiable – Account Payee Only") to be treated as controlled stationery in the charge of a duly designated officer controlling their issue.

- 6.6 The Director of Finance and Procurement shall advise the bankers in writing of individuals authorised to release money from and draw cheques on each bank account of the Board and Endowment Fund and shall notify promptly the cancellation of any such authorisation.
- 6.7 All arrangements for the receipt and payment of monies using the Clearing Houses Automated Payment System (CHAPS) and the Bankers Automated Clearing Services (BACS) will be made by or under arrangements approved by the Director of Finance and Procurement.
- 6.8 All arrangements for payments to be made by Standing Order or Direct Debit from any NHS Western Isles bank account will be made by or under arrangements approved by the Director of Finance and Procurement
- 6.9 The use of purchasing, credit or debit cards will be made by or under arrangements approved by the Director of Finance and Procurement.
- 6.10 All arrangements for payments to be made to foreign bank accounts from any NHS Western Isles bank account will be made by or under arrangements approved by the Director of Finance and Procurement.

7. SECURITY OF CASH ETC.

- 7.1 All receipt books, tickets, agreement forms, or other means of officially acknowledging or recording amounts received or receivable shall be in a form approved by the Director of Finance and Procurement. Such stationery shall be designated as **Controlled Stationery**, ordered and controlled by the Director of Finance and Procurement or his/her nominated officers and subject to the same precautions as are applied to cash.
- 7.2 All officers whose duty it is to collect or hold cash shall be provided with a safe, or with a lockable cash box which will normally be deposited in a safe or other suitable locked cupboard. The officer concerned shall hold one key and all duplicates shall be lodged with an officer authorised by the Director of Finance and Procurement and suitable receipts obtained. The loss of any key shall be reported immediately to the Director of Finance and Procurement. The Director of Finance and Procurement shall on receipt of a satisfactory explanation authorise the release of the duplicate key. The Director of Finance and Procurement shall arrange for all new keys to be dispatched directly to him / her from the manufacturers and shall be responsible for maintaining a register of authorised holders of safe keys.

- 7.3 The safe key-holder shall not accept unofficial funds for depositing in his/her safe unless deposits are in sealed envelopes or locked containers. It shall be made clear to the depositor that the NHS Western Isles is not to be held liable for any loss and written indemnity must be obtained from the organisation or individual absolving NHS Western Isles from responsibility for any loss.
- 7.4 During the absence of the holder of a safe or cash box key, the officer who acts in his/her place shall be subject to the same controls as the normal holder of the key. There shall be written discharge for the safe and / or cash box contents on the transfer of responsibilities and the discharge document must be retained for audit inspection.
- 7.5 All cash, cheques, postal orders and other forms of payment shall normally be received by a cashier or other authorised officer, and shall be entered immediately in an approved form of register.
- 7.6 The opening of coin-operated machines, including telephones, and the counting and recording of the takings in the register shall be undertaken by two officers together and the coin-box keys shall be held by a nominated officer. The collection shall be passed to the authorised officer from whom a signature shall be obtained in the register.
- 7.7 The Director of Finance and Procurement shall prescribe the system for the transporting of cash and uncrossed pre-signed cheques.
- 7.8 All unused cheques, receipts and all other orders shall be subject to the same security precautions as are applied to cash. Bulk stocks of cheques shall be retained by the Director of Finance and Procurement or his/her nominated officers and released by them only against authorised requisitions.
- 7.9 All Prepayment Certificates and Prescription Pads in Primary Care should be subject to the same security precautions and controls as are applied to cash items.
- 7.10 In all cases where officers receive cash or cheques, credit or debit care payments, empty telephone or other machine coin boxes, etc., personal identity cards must be displayed prominently. Staff shall be informed in writing on appointment by the appropriate departmental or senior officers of their responsibilities and duties for the collection, handling or disbursement of cash, cheques, etc.
- 7.11 All cash, cheques, postal orders etc. must be banked intact. Disbursements shall not be made from cash received, unless in exceptional circumstances with the prior approval of the Director of Finance and Procurement.

- 7.12 Board funds shall not in any circumstances be used for the encashment of personal cheques.
- 7.13 Any loss or shortfall of cash, cheques etc shall be reported immediately in accordance with the agreed procedure for reporting losses. (see also Section 16)

8. MANAGEMENT OF ASSETS

Capital Investment

- 8.1 The Chief Executive shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon the financial plan for NHS Western Isles.
- 8.2 The Director of Finance and Procurement shall ensure that every capital expenditure proposal meets the following criteria
- ▶ Potential benefits have been evaluated and compared with known costs;
 - ▶ Potential purchasing authorities should be able and as far as can be ascertained willing to meet cost consequences of the development as reflected in prices, and
 - ▶ Complies with the guidance in the Scottish Capital Investment Manual (SCIM).
- 8.3 Consideration should be given to the use of Private Finance or Operating Leases where appropriate.
- 8.4 The organisation shall maintain a system for assessing whether leases or Private Finance Initiative (PFI) contracts should be accounted for as on or off balance sheet in the context of SSAP21 (Statement of Standard Accounting Practice), FRS5 (Financial Reporting Standards) and any other relevant guidance advice received.
- 8.5 In the case of large capital schemes a system shall be established for progressing the scheme and authorizing necessary payments up to completion. Provision should be made for regular reporting of actual expenditure against authorisation of capital expenditure.

Asset Management

- 8.6 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Where land and property is disposed of, the requirements set out in the NHSScotland Property Transactions Handbook, together with any subsequent amendments, shall be followed.
- 8.7 There is a requirement to achieve best value when disposing of assets. Competitive Tendering should normally be undertaken in line with the requirements of the Tendering Procedure.
- 8.8 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 nominated officer;
 - ▶ Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy;
 - ▶ Items with an estimated sale value of less than £1,000, 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;
 - ▶ Land or buildings concerning which Scottish Government guidance has been issued but subject to compliance with such guidance.
- 8.9 Managers must ensure that
- ▶ All assets are be disposed of in accordance with MEL(1996)7 Sale of Surplus and Obsolete Goods and Equipment;
 - ▶ The Director of Finance and Procurement is notified of the disposal of any fixed assets; and
 - ▶ All proceeds from the disposal of fixed assets are notified to the Director of Finance and Procurement.

- 8.10 The overall control of fixed assets shall be the responsibility of the Chief Executive, advised by the Director of Finance and Procurement.
- 8.11 The Board shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Scottish Government Health Directorates.
- 8.12 The Board shall maintain a register of assets held under Operating Leases or PFI contracts.
- 8.13 The Director of Finance and Procurement shall approve fixed asset control procedures. These procedures shall make provision for
- ▶ Recording of managerial responsibility for each asset;
 - ▶ Identification of additions and disposals and transfers between departments;
 - ▶ Identification of all repairs and maintenance expenses;
 - ▶ Physical security of assets;
 - ▶ Periodic, and at least annual, verification of the existence of, condition of, and title to assets recorded; and
 - ▶ Identification and reporting of all costs associated with the retention of an asset.
- 8.14 Additions to fixed asset registers must be clearly attributed to an appropriate asset 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 for own materials and wages records for labour including appropriate overheads; and
 - ▶ Lease agreements in respect of assets held under a Finance Lease and capitalised.
- 8.15 The Director of Finance and Procurement shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

- 8.16 Overall responsibility for the security of the Board's assets rests with the Board's Chief Executive. All Members and employees have a responsibility for the security of property of the Board and it shall be an added responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Any significant or persistent breach of agreed security practice should be reported to the Chief Executive.
- 8.17 Wherever practicable, items of equipment shall be marked as the property of NHS Western Isles. The Chief Executive shall determine the items to be controlled and these, including all capital assets, shall be recorded and updated in a register, the form of which shall be approved by the Director of Finance and Procurement.
- 8.18 All staff have a duty to protect the assets of the Board. Assets include information, intellectual property and goodwill as well as cash and physical property.
- 8.19 The items on the register shall be checked at least annually by the nominated officer and all discrepancies shall be notified in writing to the Director of Finance and Procurement, who may also undertake such other independent checks as he / she considers necessary.
- 8.20 Additions to the register must be included based on the documented cost of the asset at the time of acquisition.
- 8.21 Any damage to premises, vehicles and equipment, or any loss of equipment or supplies shall be reported by staff in accordance with the agreed procedure for reporting losses.
- 8.22 On the closure of any facility, a check shall be carried out and a responsible officer will certify a list of items held showing eventual disposal.
- 8.23 The value of each asset shall be indexed to current values and depreciated using methods and rates as specified in the Capital Accounting Manual and notified by the Scottish Government Health Directorates.
- 8.24 Revaluation of land and buildings will be provided by the Board's recommended Valuation Agent on a rolling annual programme designed to ensure that all such assets are revalued once every five years.
- 8.25 Annual indexation for land and buildings not included in the revaluation exercise in any given year will be provided by the Board's recommended Valuation Agent.

- 8.26 Registers shall also be maintained by responsible officers and receipts retained for
- ▶ Equipment on loan;
 - ▶ Leased equipment;
 - ▶ All contents of furnished lettings

9. INCOME

- 9.1 The Director of Finance and Procurement shall be responsible for designing and maintaining systems for the proper recording, invoicing and collection of all money due.
- 9.2 All officers shall inform the Director of Finance and Procurement of monies due arising from transactions they initiate, including all contracts, leases, tenancy agreements and any other transactions. The Director of Finance and Procurement shall approve contracts with financial implications in excess of £5,000. Responsibility for arranging the level of rentals for newly acquired property and for the regular review of rental and other charges shall rest with the Director of Finance and Procurement who shall take into account the provisions of the NHS Scotland Property Transactions Handbook and independent professional advice on matters of valuation.
- 9.3 The Director of Finance and Procurement shall take appropriate recovery action in respect of all outstanding debts, including the write off of debts after all reasonable steps have been taken to secure payment, and in accordance with section 15 within these SFIs.
- 9.4 In relation to Income Generation Schemes, the Director of Finance and Procurement shall ensure that there are systems in place to identify all costs and services attributed to each scheme before introduction and such schemes should only proceed on the basis of providing income in excess of the cost of the scheme.

9.5 PRICING POLICY

- 9.5.1 The Director of Finance and Procurement shall be consulted about the pricing/costing of goods and services offered for sale and appropriate national and local negotiated rates shall be observed.
- 9.5.2 Pricing/costing of services will be on the basis of covering costs, including depreciation on assets.

- 9.5.3 NHS Western Isles will attribute its costs using the principles as issues by the Scottish Government Health Directorates. It is generally not permitted for NHS Bodies to cross-subsidise services, and marginal costings should only be used for unplanned spare capacity arising during the year.
- 9.5.4 Contracts with the private sector should be priced at the level the market will bear, subject to the need to make the minimum return on assets.

9.6 INCOME FROM HEALTHCARE SERVICES

- 9.6.1 Service Level Agreements with other Scottish NHS Boards are based on negotiated activity using marginal costing.
- 9.6.2 Unplanned activity from other health board areas is charged on a full cost recovery basis as activity arises, in line with the Board's published tariff.
- 9.6.3 Income for treatment of non-Scottish UK patients is calculated in accordance with Scottish Government Health Directorate guidance and is funded directly from the relevant Health Authority.
- 9.6.4 The Nurse/AHP Director / Chief Operating Officer is responsible for identifying and agreeing an appropriate budget for the delivery of agreed healthcare services and negotiating healthcare services agreements with any external organisations or agencies. In carrying out these functions, the Nurse/AHP Director / Chief operating Officer should take into account the advice of the Director of Finance and Procurement regarding costing and pricing services.
- 9.6.5 The Director of Finance and Procurement shall produce regular reports detailing actual and forecast income with a detailed assessment of the impact of the variable elements.

10. PAYMENT OF ACCOUNTS

- 10.1 The Director of Finance and Procurement shall ensure that an up to date list of authorised signatories, including specimen signatures, is maintained. The Director of Finance and Procurement shall approve the list of officers authorised to certify invoices, non-invoice payments, and payroll schedules, including, where required by the Director of Finance and Procurement, financial limits to their authority.

Maintain details, together with his or her specimen signature for manual authorisation. Electronic authorisation must be allocated by effective access control permission to those approved by the Director of Finance and Procurement.

- 10.2 The Director of Finance and Procurement shall be responsible for the payment of all accounts, invoices and contract claims in accordance with contractual terms and/or the CBI Prompt Payment Code. The Director of Finance and Procurement shall publish the Board's performance in achieving the Prompt Payment targets. Payment systems shall be designed to avoid payments of interest arising from non-compliance with the Late Payment of Commercial Debts (Interest) Act 1998.
- 10.3 All officers shall inform the Director of Finance and Procurement promptly of all monies payable arising from transactions which they initiate for leases and tenancy agreements.
- 10.4 The Director of Finance and Procurement shall be responsible ensuring that the financial systems are used appropriately for the verification, recording and payment of all amounts payable, including monies relating to clinical services and grants or similar payments to local authorities and voluntary organisations or other bodies. Systems shall provide certification that
- ▶ Goods have been duly received, examined, are in accordance with specification and order, are satisfactory and that the prices are correct;
 - ▶ Work done or services rendered have been satisfactorily carried out in accordance with the order, that where applicable the materials used were of the requisite standard, and that the charges are correct;
 - ▶ In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, that the rates of labour are in accordance with the appropriate rates, that the materials have been checked as regards quantity, quality and price and that the charges for the use of vehicles, plant and machinery have been examined;
 - ▶ Where appropriate, the expenditure is in accordance with regulations and that all necessary Board or appropriate officer authorisations have been obtained;
 - ▶ The account / claim is arithmetically correct;
 - ▶ The account / claim is in order for payment;
 - ▶ VAT has been recovered as appropriate;
 - ▶ Clinical services to patients have been carried out satisfactorily in accordance with service agreements and Unplanned Activity arrangements (UNPACs);

and systems shall also provide

- ▶ A timetable and system for submission to the Director of Finance and Procurement of accounts for payment, including provision for early submission of accounts subject to cash discounts or otherwise requiring early payment;
 - ▶ Appropriate separation of duties; and
 - ▶ Instruction of staff regarding the handling, checking and payment of accounts and claims within the Finance Department.
- 10.5 The Director of Finance and Procurement shall ensure that, other than under the terms of a specific contractual arrangement, payment for goods and services is made only after the goods and services are received.
- 10.6 Advance payment for supplies, equipment or services shall not normally be permitted other than in exceptional circumstances, advance booking of courses, or ordering literature subscriptions and goods supplied on pro forma invoices. Should other exceptional circumstances arise any proposal to make advance payment must be submitted to the Director of Finance and Procurement at the earliest opportunity. The Director of Finance and Procurement shall take appropriate advice in determining a course of action. The budget holder is responsible for ensuring that all items due under a payment in advance contract are received and he must inform the Director of Finance and Procurement or Chief Executive immediately problems are encountered.

Where a Manager and Local Authority Employee certifying accounts or claims relies upon other officers to do preliminary checking they shall, where possible, ensure that those who check delivery or execution of work act independently of those who have placed an order and negotiated price and terms. Budget managers must therefore ensure, within delegated limits that there is effective separation of duties between:

- The person placing the order
- The person certifying accept of goods and services; and
- The person authorising the invoices manually or electronically.

That no one person should undertake all three functions.

- 10.7 Advance payments to general medical practitioners and community pharmacists shall be processed through NHS National Services Scotland.
- 10.8 Budget Holders shall ensure, before an order for goods or services is placed, that the purchase has been properly considered and forms part of the department's allocation, agreed business plans, or other known and specific funds available to the department.

- 10.9 Any grants or similar payments to local authorities and voluntary organisations or other bodies shall comply with procedures laid down by the Director of Finance and Procurement.
- 10.10 In the case of contracts for building or engineering works which require payment to be made on account during progress of the works, the Director of Finance and Procurement shall make payment on receipt of a certificate from the technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractor's account shall be subject to such financial examination by the Director of Finance and Procurement and such general examination by a works officer as may be considered necessary, before the person responsible for the contract issues the final certificate. To assist financial control, a contracts register should be created.
- 10.11 The Director of Finance and Procurement may authorise advances on the imprest system for petty cash and other purposes as required. Individual payments must be restricted to the amounts authorised by the Director of Finance and appropriate vouchers obtained and retained in accordance with the policy on culling and retention of documents.
- 10.12 The Director of Finance and Procurement shall ensure that the Board complies fully with the requirements of the Construction Industry Scheme, in accordance with HMRC guidance.

11. PAYMENT OF SALARIES AND WAGES

- 11.1 The Chief Executive shall establish a system of delegated budgetary authority within which budget holders shall be responsible for the engagement of staff within the limits of their approved budget.
- 11.2 All time records, payroll timesheets and other pay records and notifications shall be in a form approved by the Director of Finance and Procurement and shall be authorised and submitted in accordance with their instructions. Where this information is transmitted by electronic means, appropriate procedures covering such transmission require to be agreed by the Director of Finance and Procurement.
- 11.3 The Director of Finance and Procurement and the Director of Human Resources and Workforce Development shall be responsible for ensuring that an appropriate payroll service is provided that ensures that rates of pay and relevant conditions are applied in accordance with current agreements. The Chief Executive, or the Board in appropriate circumstances, shall be responsible for the final

determination of pay, but subject to the statutory duty of the Director of Finance and Procurement. There will be no variation to agreed terms and conditions without the prior approval of the Director of Human Resources and Workforce Development and the Director of Finance and Procurement and managers will be responsible for ensuring that staff are paid in accordance with the terms and conditions agreed.

11.4 The Director of Finance and Procurement in conjunction with the payroll service provider shall determine the dates on which the payment of salary and wages are to be made. These dates may be varied due to special circumstances (e.g. Christmas and other Bank Holidays). Payments to an individual shall not be made in advance of a normal pay date, except:

(a) To cover a period of authorised leave involving absence on the normal pay date; or

(b) As authorised by the Chief Executive or Director of Finance and Procurement to meet special circumstances.

Any such advance payments shall be limited to the net pay due at the time of payment.

11.5 All employees shall be paid by bank credit transfer unless otherwise agreed by the Director of Finance and Procurement

11.6 Each employee shall be issued with a contract which shall comply with current employment legislation and be in a form approved by the employing body.

11.7 A signed copy of the engagement form and such other documents necessary for the payment of staff as she/he may require shall be sent to the Payroll Department immediately upon the employee commencing duty.

11.8 A termination of employment form and such other documents as she/he may require, for payment purposes, shall be submitted to the Payroll Department immediately upon the effective date of an employee's resignation, retirement or termination being unknown. Where an employee fails to report for duty in circumstances which suggest that she /he has left without notice, the Payroll Department shall be informed immediately.

11.9 A notification of change form shall be sent to the Payroll Department by the appropriate Director or Manager immediately upon the effective date of any change in state of employment or personal circumstances of an employee.

11.10 Subject to the limits laid down in the Scheme of Delegation, all early retirements which result in additional costs being borne by the employer will be submitted to the Remuneration Committee for consideration and recommendation to NHS

Western Isles Board. The Chairperson shall personally authorise payments in respect of the Chief Executive and the Chief Executive shall personally authorise payments in respect of all other employees following approval by the Board.

- 11.11 After approval by the Remuneration Committee of the Staff Governance Committee, the Chairperson will personally authorise for payment the Performance Related Pay (PRP) of Chief Executive and the Chief Executive will personally authorise for payment the PRP of all other Executive Directors of the Board. The Chief Executive and/or the Director of Finance will also personally authorise for payment for PRP of all other Senior Managers employed by the Board via the Director of Human Resources and Workforce Development.
- 11.12 The Remuneration Committee shall approve performance assessment and salary uplifts of the Chief Executive and all other Executive Director posts reporting directly to the Chief Executive.

12. TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

- 12.1 The Director of Finance and Procurement shall ensure that all expense claims by employees of NHS Western Isles or outside parties are reimbursed in line with the relevant national agreements or otherwise approved within the authority of the Staff Governance Committee and that all such claims should be supported by receipts wherever possible. Removal expenses shall be limited to the amount specified in accordance with the Board's current Relocation Policy.
- 12.2 The Director of Finance and Procurement shall issue guidance on the submission of expense claims, specifying the documentation to be used, the timetables to be observed, and the required level of authorisation.
- 12.3 All travel undertaken by staff shall be subject to prior approval by the Chief Executive, or a designated senior manager, except where the travel is required to meet an immediate clinical need.
- 12.4 The certification by or on behalf of the Director of a service, or Head of Department shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, and that the allowances are properly payable by NHS Western Isles.
- 12.5 The Chair shall personally authorise all expense claims for the Chief Executive. The Chief Executive shall personally authorise all expense claims from the Executive Members of the Board. The Chair shall personally authorise all expense claims from the Non-Executive Board members. In the absence of the Chair, the duty shall be undertaken by the Chief Executive or the Director of Finance and Procurement.

13. CONTRACTING AND PURCHASING

- 13.1 The Director of Finance and Procurement shall advise the Board regarding the setting of thresholds above which quotations (competitive and otherwise) or formal tenders must be obtained. The Director of Finance and Procurement shall also prepare procedural instructions on the obtaining of goods, services and works, incorporating the thresholds set by the Board.
- 13.2 Orders shall not be placed in a manner devised to avoid the financial thresholds specified by the Board.
- 13.3 No order shall be issued for any item or items for which there is no budget provision unless authorised by the Director of Finance and Procurement on behalf of the Chief Executive.
- 13.4 Official order forms in specific circumstances, or approved electronic system must be used for the procurement of supplies and services. No payment shall be made to any supplier where there is no pre-let purchase order, unless a separately agreed payment mechanism has been pre-arranged. The Director of Finance and Procurement shall formally notify each supplier of this requirement and the limit of the Board's liability if they proceed with supply without such order cover.
- 13.5 A central register of all Board contracts will be maintained by the Director of Finance and Procurement.
- 13.6 The Scottish Procurement Policy Handbook sets out the fundamental rules, behaviours and standards applicable to public procurement activity in Scotland. The Director of Finance and Procurement will ensure that all procurement activity is in accordance with the provisions of the Handbook.
- 13.7 Relevant EU, UK and Scottish legislation overrides these SFIs only in so far as to ensure compliance with said legislative requirements.
- 13.8 The Board shall comply as far as is practicable with all relevant Scottish Government Health Directorate guidance on procurement matters.
- 13.9 The Board shall comply at all times with the approved Procurement Strategy.
- 13.10 The Board shall seek to maximise efficiency in public sector procurement within the Western Isles, and will seek to ensure full compliance with national public contracts for the supply of products and services.

- 13.11 The Board will seek to work with or delegate authority to other public sector organisations where this results in efficiencies. In such cases NHS Western Isles must be assured that the principles of the SFIs are complied with.
- 13.12 The Director of Finance and Procurement will publish a detailed procurement handbook governing the procedures to be followed by all officers in procuring goods and services on behalf of the Board. In all cases the principles of the Scottish Procurement Directorate Procurement Journey shall be followed.
- 13.13 All contract awards will be established following the principles of openness and transparency, including clear specifications of need and award criteria, and confirmation by members of evaluation panels that they have no conflict of interest in relation to the specific procurement activity.

14. STORES

- 14.1 Subject to the responsibility of the Director of Finance and Procurement for the systems of control, the overall control of the General Store shall be the responsibility of Procurement Manager. The control of other stocks such as pharmaceutical stocks, food supplies, Laboratory supplies, oil tanks, and X-Ray supplies shall be the responsibility of the relevant Department Head.
- 14.2 The responsibility for security arrangements and the custody of keys for stores locations shall be clearly defined in writing by the designated officers referred to above. Wherever practicable, stocks shall be marked as NHS Western Isles property. NHS Western Isles has access to the Joint Equipment Store shared with the local authority.
- 14.3 All stores records shall be in such form and shall comply with such system of control as the Director of Finance and Procurement shall approve.
- 14.4 Stocktaking arrangements shall be agreed with the Director of Finance and Procurement and there shall be a physical check covering all items in all stores at least once a year. Within the main Store the stock take will be undertaken on a rolling basis. The physical check shall involve at least one other officer other than those responsible for the stock, and the Director of Finance and Procurement shall have the right to attend, or be represented at his / her discretion. The stocktaking records shall be numerically controlled and signed by the officers undertaking the check. Any surplus or deficiency revealed on stocktaking shall be reported immediately to the Director of Finance and Procurement, who may investigate as necessary. Any known losses of stock items not under the control of the stores department shall be reported to the Deputy Director of Finance and Procurement

- 14.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance and Procurement.
- 14.6 The designated officers shall be responsible for a system approved by the Director of Finance and Procurement for a review of slow-moving and obsolete items for condemnation, disposal, and replacement of all unserviceable articles. The designated officers shall report to the relevant General Manager any evidence of significant overstocking and of any negligence or malpractice.
- 14.7 Instructions for stock-take and basis of valuation will be issued at least once per year by the Director of Finance and Procurement

15. LOSSES AND SPECIAL PAYMENTS

- 15.1 Any officer discovering or suspecting a loss of any kind shall forthwith inform their Head of Department, who shall immediately inform the Director of Finance and Procurement. Where a criminal offence is suspected, the Board's Fraud Policy must be applied.
- 15.2 The Director of Finance and Procurement shall maintain a losses and compensation register in which details of all losses shall be recorded as they are known. Write-off action shall be recorded against each entry in the register.
- 15.3 Losses are classified according to the details issues by the Scottish Government Health Directorates in the Annual Accounts Manual.
- 15.4 In accordance with the Scheme of Delegation, the Chief Executive, acting together with the Director of Finance and Procurement, may approve the writing off of losses within the limits delegated to the Board by the Scottish Government Health Department and contained in the Financial Operating Procedure.
- 15.5 The exercise of powers of delegation in respect of losses and special payments will be subject to the submission of regular reports to the NHS Western Isles Healthcare Governance and Audit Committee identifying which powers have been exercised and the amount involved. These reports will subsequently be remitted to the NHS Western Isles for approval, in summary, on an annual basis.
- 15.6 NHS Western Isles shall formally annually approve any losses and compensation payments when approving the Statutory Annual Accounts.
- 15.7 No special payments exceeding the delegated limits laid down and subsequent amendments thereto shall be made without prior approval of the Scottish Government Health Directorates.

- 15.8 The Director of Finance and Procurement shall be authorised to take any necessary steps to safeguard the interests of NHS Western Isles in bankruptcies and company liquidations.
- 15.9 All articles surplus to requirements or unserviceable shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Director of Finance and Procurement.
- 15.10 The condemning officer shall satisfy themselves as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance and Procurement and Chief Executive, who shall take the appropriate action.

16. PRIMARY CARE CONTRACTORS

- 16.1 In line with Scottish Government arrangements, the Practitioner Services Division (PSD) of NHS National Services Scotland (NSS) is the payment agency for all Family Health Service (FHS) contractor payments, i.e.
- ▶ General Medical Services;
 - ▶ General Dental Services;
 - ▶ General Pharmaceutical Services
 - ▶ General Ophthalmic Services
- 16.2 The Director of Finance and Procurement shall conclude a Service Level Agreement with PSD covering validation, payment, monitoring and reporting and the provision of an audit service by the NSS internal auditors.
- 16.3 The Nurse/AHP Director / Chief Operating Officer will approve additions to, and deletions from, approved lists of contractors, taking into account the health needs of the local population, and the access to existing services.
- 16.4 The Nurse/AHP Director & Chief Operating Officer will ensure that
- ▶ Lists of all contractors for whom NHS Western Isles is responsible are maintained and kept up to date: and
 - ▶ Systems are in place to deal with applications, resignations, inspection of premises, etc., within the appropriate contractor's terms and conditions of service.

16.5 The Director of Finance and Procurement shall ensure that PSD systems are in place to provide assurance that

- ▶ Only contractors who are included on the Board's approved lists receive payments;
- ▶ All valid contractors' claims are paid correctly, and are supported by the appropriate documentation and authorisations;
- ▶ All payments to third parties are notified to the General Practice Independent Contractors on whose behalf payments are made;
- ▶ Regular independent post payment verification of claims is undertaken, by Counter Fraud Service, to confirm that
 - (a) Rules have been correctly and consistently applied;
 - (b) Overpayments are prevented wherever possible and if overpayments are detected, recovery measures are initiated; and
 - I Fraud is detected and instances of actual and potential fraud are followed up
- ▶ Exceptionally high / low payments are brought to his / her attention;
- ▶ Payments made via PSD are reported to the Integrated Corporate Management Team and the Integrated Joint Board.
- ▶ Payments made on behalf of the Board by PSD are pre-authorised; and
- ▶ Payments made by PSD are reconciled with the cash draw-down reported by the Scottish Government Health Directorates to the Board.

16.6 The Director of Finance and Procurement shall issue operating procedures to cover all payments made by PSD, i.e. both payments made directly and payments made on behalf of the Board.

16.7 Payments made to all Primary Care independent contractors and community pharmacists shall comply with their appropriate contractor regulations.

17. PATIENTS' PROPERTY AND FUNDS

- 17.1 The Board has a responsibility under NHS Circular 1976 (GEN)68, Mental Health Act (Scotland) 1984 S94 and Adults with Incapacity Scotland Act 2002 (Part IV refers) to provide safe custody for money and other personal property (hereinafter referred to as **property**) handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

The Director of Finance and Procurement shall provide written procedures for all staff whose duty is to administer the personal property.

This shall include instructions for accepting, recording, safekeeping, continuing management and disposal of (both discharge and a death of a patient) the personal property.

- 17.2 Patients or their guardians, as appropriate, shall be informed before or at their admission by

- ▶ Notices and booklets;
- ▶ Hospital admission documentation and property records; and
- ▶ Oral advice of administrative and nursing staff responsible for admissions

that the Board shall not accept responsibility or liability for patients' property brought into Board premises unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt.

- 17.3 The Director of Finance and Procurement shall provide detailed written instructions on the collection, custody, recording, safekeeping and disposal of patients' property (including instructions on the disposal of the property of deceased patients and patients transferred to other premises) for all staff whose duty it is to administer in any way the property of patients.

- 17.5 A patients' property record, in a form determined by the Director of Finance and Procurement, shall be completed in respect of the following

- ▶ Property handed in for safe custody by any patient (or guardian as appropriate); and
- ▶ Property taken into custody having been found in the possession of any patient incapable of looking after his own property for any reason.

A record shall be completed in respect of all persons in the latter category including a nil return if no property is taken into safe custody.

- 17.6 Staff should be informed, on appointment, by the appropriate departmental manager or senior officer, of their responsibilities and duties for the administration of the property of patients.

18. AUDIT

Healthcare Governance and Audit Committee

- 18.1 In accordance with the Code of Corporate Governance, NHS Western Isles shall formally establish a Healthcare Governance and Audit Committee, with clearly defined terms of reference and which will consider
- ▶ Internal control and Corporate Governance;
 - ▶ Internal Audit;
 - ▶ External Audit;
 - ▶ Code of Corporate Governance;
 - ▶ Accounting Policies;
 - ▶ Annual Accounts (including the schedules of Losses and Compensations);
 - ▶ Risk Management; and
 - ▶ Counter Fraud
- 18.2 Where the Healthcare Governance and Audit 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 Chairperson of the Healthcare Governance & Audit Committee should refer the matter to a full meeting of the NHS Western Isles. Exceptionally, the matter may need to be referred to the Scottish Government Health Directorates.
- 18.3 It is the responsibility of the Healthcare Governance and Audit Committee to regularly review the operational effectiveness of the internal audit service. The Board shall be involved in the selection process when an internal audit service provider is changed.

Chief Executive

- 18.4 The Chief Executive is responsible for
- ▶ Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function;

- ▶ Ensuring that Internal Audit is adequate and meets the NHS mandatory audit standards;
- ▶ Ensuring that there is a robust system in place to counter fraud within the Board, in accordance with the Board's Fraud Policy, and the Counter Fraud Services Partnership Agreement with NHS Boards;
- ▶ Ensuring that the Chief Internal Auditor prepares the following plans for approval by the Healthcare Governance and Audit Committee:
 - a) Strategic audit plan covering the coming three years;
 - b) A detailed operational plan for the coming year.
- ▶ Ensuring that an Annual Internal Audit Report is prepared by the Chief Internal Auditor, in accordance with the timetable laid down by the Healthcare Governance and Audit Committee, for the consideration of the Healthcare Governance and Audit Committee and the Board. The report must cover
 - a) A clear statement on the effectiveness of internal control;
 - b) Major internal control weakness discovered;
 - c) Progress on the implementation of internal audit recommendations;
 - d) Internal control evaluation; and
 - e) Progress against plan over the previous year.
- ▶ Ensuring that there is an effective follow-up process for all audit report recommendations and that progress on their implementation is reported to the Healthcare Governance and Audit Committee at the required intervals.

Director of Finance and Procurement

- 18.5 The Director of Finance and Procurement and designated auditors are 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, Board premises rented by or used by employee of each organisation;
- ▶ The production of any cash, stores or other property of each organisation under an employee's control; and
- ▶ Explanations concerning any matter under investigation.

Role of Internal Audit

18.6 The role, objectives and scope of Internal Audit are set out in the mandatory NHS Internal Audit Manual. Internal Audit will review, appraise and report upon

- ▶ Internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach;
- ▶ 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 NHS Western Isles' assets and interests are accounted for and safeguarded from loss of any kind, arising from
 - a) Fraud and other offences;
 - b) Waste, extravagance, inefficient administration; and
 - c) Poor value for money or other causes.

18.7 The Chief Internal Auditor shall be accountable to the Chief Executive of NHS Western Isles. The reporting and follow-up systems for Internal Audit shall be agreed between the Director of Finance and Procurement, NHS Western Isles and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every 3 years.

18.8 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the

exercise of any function of a pecuniary nature Director of Finance and Procurement, the Board's designated Fraud Liaison Officer, must be notified immediately and before any detailed investigation is undertaken.

External Audit

18.9 The External Auditor is concerned with providing an independent assurance of the Board's financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NHS Accounts. Responsibility for securing the audit of the Board rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000.

18.10 The appointed auditor has a general duty to satisfy himself that

- ▶ The Board's Accounts have been properly prepared in accordance with directions given under the Public Finance and Accountability (Scotland) Act 2000;
- ▶ Proper accounting practices have been observed in the preparation of the Accounts; and
- ▶ The Board has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.

18.11 In addition to these responsibilities, Audit Scotland's Code of Audit Practice requires the appointed auditor to consider

- ▶ Whether the Statement of Accounts presents a true and fair view of the financial position of the Board;
- ▶ The Board's main financial systems;
- ▶ The arrangements in place in the Board for the prevention and detection of fraud and corruption;
- ▶ Aspects of the performance of particular services and activities; and
- ▶ The Board's management arrangements to secure economy, efficiency and effectiveness in the use of resources.

18.12 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature the Director of Finance and

Procurement, the Board's designated Fraud Liaison Officer, must be notified immediately and before any detailed investigation is undertaken.

- 18.13 The Healthcare Governance and Audit Committee provides a forum through which Non-Executive Members can secure an independent view of any major activity within the appointed auditor's remit. The Healthcare Governance and Audit Committee has a responsibility to ensure that the Board receives a cost-effective service and that co-operation between senior managers, Internal Audit and External Audit is appropriate.

19. FINANCIAL INFORMATION AND MANAGEMENT TECHNOLOGY SYSTEMS

- 19.1 The Director of Finance and Procurement shall be responsible for the accuracy and security of the financial data of the Board.
- 19.2 The Director of Finance and Procurement shall devise and implement any necessary procedures to protect the Board and individuals from inappropriate use or misuse of any financial or other information held on computer files for which he / she has responsibility, taking account of all relevant legislation and guidance.
- 19.3 The Director of Finance and Procurement shall satisfy themselves that such computer audit checks and reviews as they may consider necessary are being carried out.
- 19.4 The Director of Finance and Procurement shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by an organisation outwith NHS Western Isles, assurances of adequacy will be obtained from them prior to implementation.
- 19.5 The Director of Finance and Procurement shall ensure that contracts or agreements for computer services for financial applications with another NHS Board or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing and storage. The contract or agreement should also ensure rights of access for audit purposes.
- 19.6 Where another NHS Board or any other agency provides a computer service for financial applications, the Director of Finance and Procurement shall periodically seek assurances that adequate controls are in operation and that disaster recovery arrangements are robust.
- 19.7 Where computer systems have an impact on corporate financial systems the Director of Finance and Procurement shall ensure that:

- ▶ Systems acquisition, development and maintenance are in line with corporate policies such as an Information Management and Technology Strategy;
- ▶ Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists; and
- ▶ The Director of Finance and Procurement staff have access to such data.

19.8 The Chief Executive shall arrange to draw up business continuity plans to ensure minimal disruption to business operations in the event of an interruption in the operation of Board IM&T systems

20. RISK MANAGEMENT AND INSURANCE

20.1 The Chief Executive shall ensure that NHS Western Isles has a Risk Management Policy that will be approved and monitored by NHS Western Isles.

20.2 The Risk Management Policy shall include, inter alia

- ▶ A process for identifying and quantifying risks and potential liabilities;
- ▶ Engendering among all levels of staff a positive attitude to the control of risk;
- ▶ Implementation of a programme of risk awareness training;
- ▶ Management processes to ensure that all significant risks and potential liabilities are addressed, these processes to include effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk. All significant risks and action taken to manage the risks will be reported to the Board;
- ▶ Maintenance of an organisation-wide Risk Register (Risk Control Plan);
- ▶ Contingency plans to offset the impact of adverse events;
- ▶ Audit arrangements, including internal audit, clinical audit, and health and safety review;
- ▶ Arrangements to review the Risk Management Programme; and
- ▶ A process whereby the Risk Management plans are measured against compliance with Clinical Negligence and Other Risks Scheme (CNORIS) standards.

The existence, integration and evaluation of the above elements will provide a basis for the NHS Western Isles Healthcare Governance and Audit Committee to

make a statement to the Board on the effectiveness of risk management arrangements in the organisation.

- 20.3 In the case of partnership working with other agencies, the NHS Western Isles risk management framework will be shared to identify and quantify the individual risks, particularly where responsibility cannot be assigned to an individual partner.

In the particular case of NHS Western Isles and Western Isles Council jointly managed services, each partner's risk management and insurance arrangements will be taken into account when identifying and quantifying risks associated with the provision of such jointly managed services and associated with the delegation of the management of a partner's financial resources. Where conflicts occur between these two sets of arrangements each partner's Director of Finance and Procurement will be required to agree a course of action to resolve the conflict.

- 20.4 The Director of Finance and Procurement shall ensure that appropriate insurance arrangements are in place.

21. BRIBERY

This section should be read in conjunction with the NHS Western Isles Fraud Policy contained within Section J of the Code of Corporate Governance

- 21.1 The Bribery Act 2010 has brought further obligations on NHS Western Isles and its staff.
- 21.2 NHS Western Isles operates a zero tolerance approach to bribery, whether direct or indirect, by, or of, its staff, agents or external consultants or any persons or entities acting for it or on its behalf. The Board is committed to implementing and enforcing effective systems throughout NHS Western Isles to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.
- 21.3 NHS Western Isles will not conduct business with service providers, agents or representatives that do not support its anti-bribery statement. We reserve the right to terminate contractual arrangements with any third parties acting for, or on behalf of, NHS Western Isles with immediate effect where there is evidence that they have committed acts of bribery.
- 21.4 The success of NHS Western Isles' anti-bribery measures depends on all employees, and those acting for NHS Western Isles, playing their part in helping to detect and eradicate bribery. Therefore all employees and others acting for, or on behalf of NHS Western Isles are encouraged to report any suspected bribery in accordance with Section J of the Code of Corporate Governance – Fraud Policy

22.5 Where there are grounds to suspect that bribery has occurred a response shall be initiated as per section 5 of the Fraud Policy.

Section
H

Code of Conduct for Members of NHS Western Isles

The personal
standards
expected of
Board Members

Updated from new Model Code of
Conduct Feb'14



Contents

Section 1	Introduction to the Members' Code of Conduct	188
	Appointments to the Boards of Public Bodies	188
	Guidance on the Code of Conduct	189
	Enforcement	189
Section 2	Key Principles of the Code of Conduct	190
Section 3	General Conduct	199
	Conduct at Meetings	199
	Relationship with Board Members and Employees of Public Bodies	191
	Remuneration, Allowances and Expenses	192
	Gifts and Hospitality	192
	Confidentiality Requirements	193
	Use of Public Body Facilities	193
	Appointment to Partner Organisations	193
Section 4	Category One Remuneration	194
	Category Two Related Undertakings	195
	Category Three Contracts	196
	Category Four Houses, Land and Buildings	196
	Category Five Interest in Shares and Securities	196
	Category Six Gifts and Hospitality	197
	Category Seven Non Financial Interests	197
Section 5	Declaration of Interests	197
	General	198
	Interests which Require Declaration	199
	Your Financial Interests	199
	Your Non-Financial Interests	200
	The Financial Interests of Other Persons	200
	You Non-Financial Interests of Other Persons	201
	Making a Declaration	201
	Frequent Declaration of Interests	202
	Dispensations	202
Section 6	Lobbying and Access to Members of Public Bodies	203
	Introduction	203
	Rules and Guidance	203
Annexes	Annex A Sanctions Available to the Standards Commission for Breach of Code	205
	Annex B Definitions	207

1 INTRODUCTION TO THE CODE OF CONDUCT

- 1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. Members must meet those expectations by ensuring that your conduct is above reproach.
- 1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000, “the Act”, provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, “The Standards Commission” to oversee the new framework and deal with alleged breaches of the codes.
- 1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. This Model Code for members was first introduced in 2002 and has now been revised following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.
- 1.4 As a member of NHS Western Isles, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct, which has now been established by the Board.

Appointments to the Boards of Public Bodies

- 1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government’s equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board’s appointments process should encourage as many suitable people to apply for position and be free from unnecessary barriers. You should therefore be aware of the varied roles function of the public body on which you serve and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that your board (if

appropriate) will have agreed with the Scottish Government's Public Appointment Centre for Expertise.

- 1.6 You should also familiarise yourself with how NHS Western Isles policy operates in relation to succession planning, which should ensure public bodies have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfill their role economically, efficiently and effectively.

Guidance on the Code of Conduct

- 1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.
- 1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the public body. Members may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.
- 1.9 You should familiarise yourself with the Scottish Government publication "On Board – a guide for board members of public bodies in Scotland". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

- 1.10 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that shall be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A** of this document.

2. KEY PRINCIPLES OF THE MODEL CODE OF CONDUCT

2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of NHS Western Isles of which you are a member and in accordance with the core functions and duties of that body.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of NHS Western Isles when carrying out public business including making appointments, awarding contract or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that NHS Western Isles uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of NHS Western Isles and its members in conducting public business.

Respect

You must respect fellow members of NHS Western Isles and employees of the Board and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of NHS Western Isles.

- 2.2 You should apply the principles of this Code to your dealings with fellow members of NHS Western Isles, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of NHS Western Isles.

3. GENERAL CONDUCT

- 3.1 The rules of good conduct in this section must be observed in all situations where you as a member of NHS Western Isles.

Conduct at Meetings

- 3.2 You must respect the Chair, your colleagues and employees of NHS Western Isles in meetings. You must comply with rulings from the Chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of Public Bodies (including those employed by contractors providing services)

- 3.3 You will treat your fellow board members and any staff employed by NHS Western Isles with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. NHS Western Isles should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of NHS Western Isles in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

- 3.4 You must comply with any rules of NHS Western Isles regarding remuneration, allowances and expenses.

Gifts and Hospitality

- 3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charge to members of the public.
- 3.6 You must never ask for gifts or hospitality.
- 3.7 You are responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in NHS Western Isles. As a general guide, it is usually appropriate to refuse offers except:
- (a) Isolated gifts of a trivial character, the value of which must not exceed £50;
 - (b) Normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
 - (c) Gifts received on behalf of NHS Western Isles.
- 3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision you body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of NHS Western Isles then, as a general rule, you should ensure that NHS Western Isles pays for the cost of the visit.

- 3.9 You must not accept repeated hospitality or repeated gifts from the same source.
- 3.10 Members of devolved public bodies should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality Requirements

- 3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of NHS Western Isles in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.
- 3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purpose of personal or financial gain, or for political purposes or used in such a way as to bring NHS Western Isles into disrepute.

Use of Public Body Facilities

- 3.13 Members of NHS Western Isles must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services, etc. must be in accordance with NHS Western Isles policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of NHS Western Isles.

Appointment to Partner Organisations

- 3.14 You may be appointed, or nominated by NHS Western Isles, as a member of another body or organisation. If so, you are bound by the rules of conduct of those organisations and should observe the rules of this Code in carrying out the duties of that body.
- 3.15 Members who become directors of companies as nominees of NHS Western Isles will assume personal responsibilities under the Companies Acts. It is

possible that conflicts of interest can arise for such members between the company and NHS Western Isles. It is your responsibility to take advice on your responsibilities to NHS Western Isles and to the company. This will include questions of declarations of interest.

4. REGISTRATION OF INTERESTS

- 4.1 The following paragraphs set out the kinds of interests, financial and otherwise which Members have to register. These are called “Registerable Interests”. You must, at all times, ensure that such interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in NHS Western Isles’ Register. It is your duty to ensure any changes in your circumstances are reported within one month of them changing.
- 4.2 The Regulations¹ as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. **Annex B** contains key definitions and explanatory notes to help you decide what is required when registering your interest under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interest of your spouse or cohabitee.

Category One: Remuneration

- 4.3 You have a Registerable Interest where you receive remuneration by virtue of being
- ▶ Employed;
 - ▶ Self-employed;
 - ▶ The holder of an office;
 - ▶ A director of an undertaking;
 - ▶ A partner in a firm; or
 - ▶ Undertaking a trade, profession or vocation or any other work.

¹ SSI – The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

- 4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.
- 4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, ***Related Undertakings***.
- 4.6 If you receive any allowances in relation to membership of any organisation, the fact that they receive such an allowance must be registered.
- 4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.
- 4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.
- 4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which they are paid.
- 4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.
- 4.11 Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

- 4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which they hold a remunerated directorship.
- 4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which they are a director and from which they receive remuneration.
- 4.14 The situations to which the above paragraphs apply are as follows:

- ▶ you are a director of a board of an undertaking and receives remuneration, declared under Category One; and
- ▶ you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

- 4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with NHS Western Isles of which you are a member:
- i. Under which goods or services are to be provided, or works are to be executed; and
 - ii. Which has not been fully discharged.
- 4.16 You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

- 4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of NHS Western Isles to which you are appointed.
- 4.18 The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.

Category Five: Interest in Shares and Securities

- 4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the body to which you are appointed and (b) the **nominal value of the shares is:**
- i. Greater than 1% of the issued share capital of the company or other body; or

- ii. Greater than £25,000

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category Six: Gifts and Hospitality

- 4.20 You must register the detail of any gifts or hospitality received within your current term of office. The record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 (a) to (c) of this Code.

Category Seven: Non-Financial Interests

- 4.21 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of NHS Western Isles to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of NHS Western Isles might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

5. DECLARATION OF INTERESTS

General

- 5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of NHS Western Isles. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, their actions.
- 5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or

personal interest must be declared. Public confidence in NHS Western Isles and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

- 5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that they might be influenced by the interest. You must however, always comply with the **objective test** (“the objective test”) which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that is likely to prejudice your discussion or decision making in your role as a member of NHS Western Isles.
- 5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exists, they should seek advice from the board chair.
- 5.5 As a member of NHS Western Isles you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matters, whether to declare an interest. Only if you believe that, in the particular circumstance, the nature of the interests is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between NHS Western Isles and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

Interests which Require Declaration

- 5.6 Interests which require to be declared, if known to you may be financial or non-financial. They may or may not be interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraph which follows deal

with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial of other persons.

- 5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of NHS Western Isles. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of NHS Western Isles as opposed to the interest of an ordinary member of the public.

Your Financial Interests

- 5.8 You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code). If, under category one (or category seven in respect of non-financial interests) of section 4 of this Code, you have registered an interest

- (a) as an employee of the Board; or
- (b) as a Councillor or a Member of another Devolved Public Body where the Council or other Devolved Public Body, as the case may be, has nominated or appointed you as a Member of the Board;

You do not, for that reason alone, have to declare that interest.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.9 You must declare, if it is known to you, any non-financial interest if:

- (i) that interest has been registered under category seven (Non Financial Interests) of Section 4 of the Code; or
- (ii) that interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

The Financial Interests of Other Persons

5.10 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;
- (vi) a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11 This Code does not attempt the task of defining “relative” or “friend” or “associate”. Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of a public body and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

5.12 You must declare if it is known to you any non-financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;
- (vi) a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

- 5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words “**I declare an interest**”. The statement must be sufficiently informative to enable those at the meeting to understand the nature of the interest but need not give a detailed description of the interest.

Frequent Declaration of Interest

- 5.15 Public confidence in NHS Western Isles is damaged by perception that decisions taken by NHS Western Isles are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

- 5.16 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before NHS Western Isles and its Committees.
- 5.17 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

6. LOBBYING AND ACCESS TO MEMBERS OF PUBLIC BODIES

Introduction

- 6.1 In order for NHS Western Isles to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which the public body conducts its business.
- 6.2 You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform their duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance

- 6.3 You must not, in relation to contact with any person or organisation who lobbies, do anything which contravenes this Code of Conduct or any other relevant rule of NHS Western Isles or any statutory provision.
- 6.4 You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon NHS Western Isles.
- 6.5 The public must be assured that no person or organisation will gain better access to or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which they accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another Member of NHS Western Isles.

- 6.6 Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation that is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that they know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.
- 6.7 You should not accept any paid work:-
- ▶ Which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.
 - ▶ To provide services as a strategist, adviser or consultant, for example, advising on how to influence NHS Western Isles and its members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of NHS Western Isles, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.
- 6.8 If you have concerns about the approach or methods used by any person or organisation in contacts with them, they must seek the guidance of NHS Western Isles.

ANNEX A

SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

- 1) **Censure –**
The Commission may reprimand the Member but otherwise take no action against them.
- 2) **Suspension –** of the member may be suspended for a maximum period of one year from attending one or more, but not all, of the following:
 - i. All meetings of the public body;
 - ii. All meetings of one or more Committees or Sub-Committees of the public body;
 - iii. All meetings of any other body on which that member is a representative or nominee of the public body which they are a member.
- 3) **Suspension –**
For a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;
- 4) **Disqualification –** removing the member from membership of that public body for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of NHS Western Isles be reduced, or not paid.

Where the Standards Commission disqualifies a Member of NHS Western Isles, it may go on to impose the following further sanctions:

- (a) Where the member of NHS Western Isles is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from NHS Western Isles and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.
- (b) Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as the Water Industry Commissioner.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Ethical Standards in Public Life etc. (Scotland) Act 2000.

ANNEX B

DEFINITIONS

- “Chair”** includes Board Convener or any person discharging similar functions under alternative decision making structures.
- “Code”** code of conduct for members of devolved public bodies
- “Cohabitee”** includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.
- “Group of companies”** has the same meaning as “group” in section 262(1) of the Companies Act 1985. A “group”, within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.
- “Parent Undertaking”** is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.
- “A person”** means a single individual or legal person and includes a group of companies.
- “Any person”** includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.
- “Public body”** means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“Related Undertaking” is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

“Remuneration” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

“Spouse” does not include a former spouse or a spouse who is living separately and apart from you.

“Undertaking” means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

Section I

Standards of Business Conduct for NHS Staff

Ethical
Standards ~ how
NHS Staff
should conduct
themselves



1	Introduction to the Standards of Business Conduct for NHS Staff Guidance	211
2	Principles of conduct within NHS Western Isles	211
3	Action for Managers	212
4	Private practice	212
5	Intellectual Property Rights	212
6	Commercial Sponsorship	213
7	Bribery	213
8	Casual gifts and hospitality	214
9	Outside interests and employment	214
10	Remedies	215
11	Guidance for staff	215
12	Distribution	215
13	Register of Hospitality and interests for staff other than Board Member	216
14	Contact point for further guidance	216
15	Induction of New Employees	216
16	Specific Guidance for Individual Groups of Staff	216
17	Review Process	217

Annexes	Annex A – Gifts & Hospitality Policy, including Declaration form	218
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1. INTRODUCTION

- 1.1 All NHS staff who commit NHS resources directly or indirectly must be impartial and honest in their conduct of business and all employees must be beyond suspicion. It is an offence under the Prevention of Corruption Act 1906 and 1916 for any employee to accept any inducement or reward for doing, or refraining from doing, anything in his or her official capacity, or corruptly showing favour, or disfavour, in the handling of contracts. *MEL (1994) 48* details the principles for codes of conduct and accountability in situations where there is potential conflict between the private interests of NHS staff and their NHS duties and requires the establishment of a local code of conduct.
- 1.2 The purpose of this Code is to ensure that all NHS employees in the Western Isles are aware of their duties under the MEL and to protect them from situations where they may be placed in a real or apparent conflict of interest.

2. Principles of Conduct within NHS Western Isles

- 2.1 Employees are expected to:
 - ensure that the interest of patients remain paramount at all times;
 - be impartial and honest in the conduct of their official business; and
 - use the public funds entrusted to them to the best advantage of the service, always ensuring value for money.
- 2.2 It is also the responsibility of staff to ensure that they do not:
 - abuse their official position for personal gain or to the benefit of their family or friends;
 - undertake outside employment that could compromise their NHS duties; or
 - seek to advantage or further their private business or interest in the course of their official duties.
- 2.3 Staff must protect themselves and NHS Western Isles from any allegations of impropriety by seeking advice from their line manager, or from the appropriate contact point, whenever there is any doubt as to the interpretation of this Code.

3. Action for Managers

- 3.1 Managers must adhere to this guidance and ensure that their staff are aware of and comply with this Code.
- 3.2 In regard to contract awards, favouritism should not be shown in awarding contracts.
- 3.3 Where an interest, hospitality or relevant outside employment is declared to the line-manager, they must record that declaration in the employee's personal file together with any instructions issued to the member of staff in relation to the declaration. All declarations of interest should be notified to the Human Resources Department and the Board Business Manager.
- 3.4 Managers should consider whether outside employment declared by employees is likely to conflict with their NHS work or be detrimental to it; generally, directorship of, or work with, an identified NHS supplier.

4. Private Practice

- 4.1 Private practice for medical staff is subject to the conditions contained within the new Consultant's Contract.
- 4.2 Staff may undertake private practice or work for outside agencies provided they do not do so using any NHS Western Isles resources or accommodation and or within the time they are contracted for the NHS and they observe the conditions detailed in this guidance.

5. Intellectual Property Rights

- 5.1 In certain circumstances innovative and research work undertaken by staff gives rise to intellectual property rights which can be to the advantage of both the Board and the member of staff. Any such work should therefore be declared to the Chief Executive before it is undertaken so that these rights can be protected.

6. Commercial Sponsorship

- 6.1 Acceptance by staff of commercial sponsorship for attendance at relevant conferences and courses is acceptable but only where the employee seeks permission in advance and the employer is satisfied that the acceptance will not compromise purchasing and or clinical care decisions in any way. This includes all costs associated with the event if they are provided by the 'sponsor'. Acceptance of such sponsorship should be declared as in section 3 above.
- 6.2 Normally the relevant Head of Department should give permission and in the case of consultant staff this should be discussed with the Medical Director.
- 6.3 Under no circumstances should any employee agree to linked deals where sponsorship is linked to the purchase of a particular product or to supply from particular sources.

7. Bribery

- 7.1 The Bribery Act 2010 came into force on 1 July 2011 and makes it a criminal offence to take part in active bribery (making a bribe) or passive bribery (receiving a bribe) (definitions below).
 - a) Active Bribery: Section 1 of the Act makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.
 - b) Passive Bribery: Section 2 of the Act makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.
- 7.2 You must be committed to the prevention of bribery and all forms of corruption. NHS Western Isles operates a zero tolerance approach to bribery committed by any person it employs and any person who provides services for or on behalf of NHS Western Isles. Any allegation of bribery by a Board Member or employee of NHS Western Isles will be investigated in accordance with relevant processes and procedures and may be reported to the authorities as appropriate.
- 7.3 NHS Western Isles will always act with integrity, transparency and honesty. You must be committed to the prevention of bribery in recognition of the importance of maintaining the reputation of NHS Western Isles and the confidence of the public, partner organisations and other stakeholders.

8. Casual Gifts and Hospitality

- 8.1 Gifts which could place an individual in a position of conflict between their private interests and that required in the execution of their NHS duties should be politely but firmly declined. MEL (1994) 48 provides that staff may accept gifts of low intrinsic value or small tokens of gratitude (such as diaries, calendars or small tokens of gratitude from patients or their relatives). If in doubt, staff must contact their line manager before acceptance. Gifts declined must also be declared. This code deems the acceptable limit of £20.00
- 8.2 Staff may accept modest hospitality provided that it is normal and reasonable in the circumstances, eg lunches in the course of working visits may be acceptable, though it should be similar to the scale of hospitality which the NHS as an employer would be likely to offer. The acceptable limit for a meal is £25.00. If in doubt, staff should seek advice from their line manager. All hospitality accepted by NHS employees must be declared to their line manager and notified as section 3 above.
- 8.3 It is not necessary to declare hospitality received as part of the normal programme of a course or conference.
- 8.4 Monetary Gifts – The acceptance or giving of monetary gifts is not acceptable under any circumstance.

9. Outside Interests and Employment

- 9.1 Outside interests include directorships, ownership, part ownership or material shareholdings in companies, business or consultancies likely to seek to do business with the NHS. These should be declared to the individual's line manager as should the interests of a spouse / partner or close relative.
- 9.2 It is also possible that a conflict of interest may arise as a result of an employee accepting an outside post, e.g. with a company that does business with the NHS. Where there is any doubt, the employee must seek advice from their manager before accepting any outside post.

10. Remedies

- 10.1 Managers or staff who fail to comply with the guidance detailed in this Code could be subject to a disciplinary investigation resulting in dismissal. If through their actions or omissions managers or staff are found to be in contravention of either this Code or, indeed, their legal/professional responsibilities then NHS Western Isles reserves the right to take legal action if necessary.

11. Guidance for Staff

- 11.1 Staff should
- make sure that they understand the details of this Code and consult their line manager if they are unsure;
 - make sure that they are not in a position where private interest and NHS duties conflict;
 - declare to an appropriate line manager or executive director any relevant interest;
 - seek the permission of the appropriate line manager or executive director prior to taking on outside work if there is conflict of interests;
 - declare secondary employment; and
 - obtain permission from their appropriate line manager or executive director before accepting commercial sponsorship.
- 11.2 Staff should not
- accept any gifts, inducements or inappropriate hospitality which will place the individual in a position of conflict between their private interest and that required of their NHS duties;
 - unfairly advantage one competitor over another or show favouritism in awarding contracts; or
 - misuse or make available official 'commercial – in confidence' information.

12. Distribution

- 12.1 This Code is applicable to every NHS Western Isles employee and therefore all staff should be aware of its content.

13. Register of Hospitality and Interests for Staff other than Board Members

- 13.1 The Board Business Manager will hold a central register of Gifts and Hospitality for all staff.
- 13.2 The form to register Gifts and Hospitality will be posted on the intranet for ease of access.
- 13.3 Access to this register will be restricted to senior officers and internal and external audit. The Register may also be the subject of Freedom of Information (Scotland) Act (FOISA) requests.
- 13.4 At least annually, an officer identified by the Director of Finance will review the register.

14. Contact Point for Further Guidance

- 14.1 A copy of this Code will be posted on the intranet and can be obtained from the Board Business Manager who will provide advice and guidance on its interpretation.
- 14.2 A summary leaflet entitled 'Code of Corporate Governance' will be included in the induction pack.

15. Induction of New Employees

- 15.1 All new staff will be made aware of the 'Code of Corporate Governance' at induction and will be provided with a summary leaflet as in 14.2

16. Specific Guidance

- 16.1 Additional guidance is available on joint working between NHSScotland and the Pharmaceutical Industry (A Common Understanding).

17. Review Process

17.1 The Code will be reviewed at least every two years.



Gifts and Hospitality Policy

Printed copies must not be considered the definitive version

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CONTENTS

1. Purpose and scope	236
2. Policy aims	236
3. Responsibilities and organisational arrangements	238

Appendices

Appendix A	
Declaration of Gifts and Hospitality Form	240

1. PURPOSE AND SCOPE

The NHS Western Isles Gifts and Hospitality Policy is intended to provide guidance to all NHS Western Isles staff on the receiving of gifts and / or hospitality and to establish guidance with regard to the NHS Western Isles Register of Gifts and Hospitality and the Register of Interests. Staff must not canvas or seek gifts and / or hospitality.

The provisions of the policy shall be held to apply to all employees, secondees and associates of NHS Western Isles. There is no seniority threshold.

2. DOCUMENT AIMS

2.1 This policy is in place to protect both individuals and the organisation from any accusation of improper conduct.

2.2 Legal Framework and National NHS Guidance

Under the Prevention of Corruption Acts 1906 and 1916, it is an offence for employees to accept any gifts or consideration as an inducement reward for:

- doing, or refraining from doing, anything in their official capacity; or
- showing favour or disfavor to any person in their official capacity.

Further, under the Act, any money, gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract **will be deemed to have been received corruptly unless the employee proves the contrary.**

2.3 NHS Circular MEL (1994) 48 sets out the requirements for Standards of Business Conduct for NHS staff and the content of this circular is reflected in the current NHS Western Isles Standards of Business Conduct for NHS Staff. More recently NHS Circular HDL (2003) 62 provided guidance on joint working between NHS Scotland and the Pharmaceutical Industry, which required Health Boards to establish a central Register of Hospitality and Interests for staff.

2.4 NHS guidance also sets out that it is the responsibility of staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their NHS duties. This applies to both staff who commit resources directly, e.g. the ordering of goods or services, or indirectly by policy development.

2.5 Acceptable Hospitality

Hospitality is generally defined as attendance at a social or leisure event or conference (or an occasion which could be perceived as such an event) where the attendance is being funded by a third party. NHS guidance provides that modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow themselves to reach a position whereby he or she might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than NHS Western Isles would be likely to provide in return.

- 2.6** Staff may accept modest hospitality, provided it is normal and reasonable under the circumstances, e.g. lunches in the course of working visits may be acceptable if of a similar scale to that which NHS Western Isles would offer in return. The acceptable limit for a meal is £25. Staff should decline all other offers of hospitality. Any and all hospitality accepted by NHS Western Isles employees must be declared to their line manager.

2.7 Unacceptable Hospitality

Any hospitality which does not meet the above criteria will be unacceptable. The only exception is where the hospitality has been approved in writing, in advance, by the Chief Executive or appropriate Director. Such hospitality must be declared on the Submission Form at appendix A.

- 2.8** Any significant hospitality offered to NHS Western Isles employees and declined must also be recorded in the register.

2.9 Commercial Sponsorship

As a general principle, all offers received from commercial third parties must be refused. Attendance at relevant commercially sponsored conferences and courses is acceptable but only where acceptance will not and cannot be seen as compromising purchasing or other decision in any way. Receipt or provision of such sponsorship must be recorded in the Register.

- 2.10** Employees must pay particular attention to the circumstances in which hospitality is offered; the provision of hospitality by an individual or organisation during a tendering process or where a contract is shortly to end, or where performance of the contract is in question or in any other circumstances where acceptance might compromise the position of the employee or of NHS Western Isles, is not acceptable.

2.11 Acceptance of Gifts

Employees of NHS Western Isles must not accept gifts which are capable of being construed as being able to influence a purchasing decision or cast doubt on the integrity of such decisions. Gifts which could place an individual in a position of conflict between their private interests and their NHS duties must be politely but firmly declined. Casual gifts offered by contractors or others must also be politely declined except where they are of low intrinsic value. MEL (1994) 48 provides that staff may accept such gifts of low intrinsic value or small tokens of gratitude, such as diaries or calendars or small tokens of gratitude from patients or their relatives. This code deems the acceptable limit is £20. NHS guidance provides that any gifts of higher value offered or received must be declined. Where it is difficult to decide whether a gift should be accepted or not, advice should be sought from your line manager. Where there is any doubt on the part of the line manager, the gift should not be accepted. Gifts that are declined must be recorded in the register.

- 2.12 In exceptional circumstances, such as a public presentation, where refusal of a gift over the acceptable limit would be difficult, employees must declare the gift on the attached form within seven days of receipt.

2.13 Monetary Gifts

The acceptance or giving of monetary gifts is not acceptable under any circumstances.

2.14 Register of Gifts and Hospitality – Procedures for Submission

The information required for the Register of Gifts and Hospitality is set out on the Submission Form (appendix A), which is available on the intranet. Submissions should be made as soon as is practically possible and no later than a month following receipt.

3. RESPONSIBILITIES AND ORGANISATIONAL ARRANGEMENTS

- 3.1 It is the responsibility of the **Chief Executive** as Accountable Officer to ensure the register of Gifts, Hospitality and Interests is maintained.
- 3.2 The **Director of Finance** is responsible for the monitoring and scrutiny of the register and will be vigilant for perceived conflicts of interest. The register

will be reviewed annually by Internal Audit (as arranged by the Director of Finance) and will be available to the External Auditors.

- 3.3** The **Workforce Director** will be responsible for investigating where an individual is suspected to have behaved improperly; this is a staff governance issue.
- 3.4** The **Corporate Business Manager** is responsible for establishment of the register and that it is kept up to date. However, the responsibility for submitting information lies with the individual member of staff.
- 3.5** **Line managers** must adhere to the code and ensure that staff they manage are aware of and comply with the provisions of the Gifts and Hospitality Policy and the related Standards of Business Conduct for NHS Staff.
- 3.6** **All employees** of NHS Western Isles have a personal responsibility to accept only gifts / hospitality as deemed acceptable in this policy. If employees have any doubt about whether an item should or should not be recorded, they are advised to record it and to retain a copy of the entry for future reference. The importance of this cannot be overstated to protect individuals from allegations in the future.
- 3.7** **Staff** should be aware that a breach of the provisions under legislation may make them liable to prosecution and may also lead to loss of their employment and pension rights.

DECLARATION OF GIFTS AND HOSPITALITY FORM

You should use this form to declare gifts or hospitality offered, including gifts or hospitality declined.

The completed form should be countersigned by your line manager and forwarded to the Corporate Business Manager, Board Office, 37 South Beach, Stornoway, where the detail will be included in the Board's Register of Gifts and Hospitality and is subject to scrutiny by internal and external auditors. The Register may also be the subject of FOISA (Freedom of Information (Scotland) Act) requests.

<i>Name: (Please Print)</i>	
<i>Work Base:</i>	
<i>Details:</i>	
<i>Estimated Value:</i>	
<i>From: (Name of Organisation offering gift / hospitality)</i>	
<i>Description of gift / hospitality</i>	
<i>Accepted / Not Accepted</i>	

Signed: _____

Date: _____

Manager's Signature: _____

Name (please print): _____

Section J

Fraud Policy

Guidance on the
detection,
prevention,
reporting and
handling of
Fraud



1	Introduction	227
2	Public Service Values	228
3	The Board's Policy	228
4	Reporting suspected Fraud	229
5	Roles and Responsibilities	229
6	Public Interest Disclosure Action 1998	231
7	Regulation of Investigatory Powers (Scotland) Act 2000	231
8	Scottish Government Health Department Guidance	232

1. INTRODUCTION

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and the means of enforcing the rules against theft, dishonesty, fraud and illegal acts, e.g. damage to Board property.
- 1.2 The purpose of this document is to provide guidance to employees on the action which should be taken when fraud, theft or corruption is suspected. Such occurrences may involve employees of NHS Western Isles, suppliers / contractors or any third party. This document sets out the Board's policy and action plan for dealing with detected or suspected fraud. It is not the purpose of this document to provide direction on the prevention of fraud.
- 1.3 Whilst the exact definition of theft, fraud or corruption is a statutory matter, the following working definitions are given for guidance:
- **theft** is removing property belonging to NHS Western Isles, its staff, or its patients, with the intention of permanently depriving the owner of its use, without their consent;
 - **fraud** or **corruption** broadly covers deliberate material misstatement, falsifying records, making or accepting improper payments, or acting in a manner not in the best interest of the Board for the purposes of personal gain.
- For simplicity this document will refer to all such offences as "fraud", except where the context indicates otherwise.
- 1.4 The Board already has procedures in place which reduce the likelihood of fraud and theft occurring. These include Standing Orders, Standing Financial Instructions, Financial Operating Procedures, a system of internal control, and a system of risk assessment. The Board also has a payment verification system relating to Family Health Service expenditure.
- 1.5 It is the responsibility of the Board and its management to maintain adequate and effective internal controls, which deter and facilitate detection of any fraud. The role of Internal Audit is to evaluate these systems of control. It is not the responsibility of Internal Audit to detect fraud, but rather to identify weaknesses in systems that could potentially give rise to error or fraud.

- 1.6 Detailed guidance for staff dealing with suspected fraud is provided in the Board's Fraud Action Plan, which describes the action to be taken with respect to a reported suspicion of fraud.

2. PUBLIC SERVICE VALUES

- 2.1 The expectation of high standards of corporate and personal conduct, based on the recognition that patients come first, has been a requirement throughout the NHS since its inception. MEL (1994) 80, "Corporate Governance in the NHS", issued in August 1994, sets out the following public service values:

- i. Accountability: **Everything done by those who work in the organisation must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.***
- ii. Probity: **Absolute honesty and integrity should be exercised in dealing with NHS patients, assets, staff, suppliers and customers.***
- iii. Openness: **The organisation's activities should be sufficiently public and transparent to promote confidence between the organisation and its patients, staff and the public.***

- 2.2 All those who work in the organisation should be aware of, and act in accordance with, the above values. In addition, the Board will expect and encourage a culture of openness between NHS bodies and the sharing of information in relation to any fraud.

3. THE BOARD'S POLICY

- 3.1 The Board is committed to the NHS Scotland policy on countering fraud and corruption, and to the public service values outlined above.
- 3.2 The Board will maintain an honest and open culture, and is committed to the deterrence, detection and investigation of any fraud within NHS Western Isles.
- 3.3 The Board encourages anyone having reasonable suspicion of fraud to report the incident. It is the Board's policy that no staff member will suffer in any way as a

result of reporting any suspicions held in good faith, i.e. suspicions other than those which are groundless or raised maliciously.

- 3.4 In addition, the Public Interest Disclosure Act protects workers who legitimately report wrongdoing by employers or colleagues. The disclosure must be made in good faith and workers must have reasonable grounds to believe that criminal offences such as fraud or theft have occurred or are likely to occur. The disclosure must not be made for personal gain.

4. REPORTING SUSPECTED FRAUD

- 4.1 Staff who suspect that improper practices or criminal offences are occurring must discuss this in the first place with their line manager. If the suspected improper practice involves that manager, the report should be made to a more senior officer, Fraud Liaison Officer or Director of Finance. Managers receiving notice of such offences must report them to the Fraud Liaison Officer.
- 4.2 Confidentiality must be maintained relating to the source of such reports.
- 4.3 Staff may also use the Counter Fraud Service (CFS) Fraud Hot Line (0800 151628) or report suspicions (anonymously, if desired) through the CFS Website at www.cfs.scot.nhs.uk.
- 4.4 Under no circumstances should a member of staff speak or write to representatives of the press, TV, radio, or other third parties, or use blogs or Twitter to publicise details about a suspected fraud or theft. Care needs to be taken that nothing is done which could give rise to an action for slander or libel.
- 4.5 Staff should be aware that time may be of the utmost importance to ensure that the Board does not continue to suffer a loss.

5. ROLES & RESPONSIBILITIES

- 5.1 As Accountable Officer, the Chief Executive has the responsibility for countering fraud in its broadest terms. Day-to-day responsibility for the management of individual cases has been delegated to the Fraud Liaison Officer (FLO), to whom all information relating to suspected frauds should be referred.

- 5.2 NHS Scotland Counter Fraud Services (CFS) has been set up to assist Boards in their efforts to reduce losses through fraud. The Board has signed a Partnership Agreement with CFS which outlines what must happen in the event of a fraud being discovered.
- 5.3 The FLO has a duty to notify CFS of all relevant cases. Where a fraud is suspected within the service, the FLO will make an initial assessment and, where appropriate, advise CFS accordingly.
- 5.4 The FLO will discuss each relevant case with CFS to determine if there is a potential for criminal prosecution or disciplinary and / or civil action. If the former, then CFS will undertake the investigation on behalf of and in cooperation with the Board. This will not preclude the Board taking disciplinary and/or civil action; however that could only occur with agreement from CFS and the relevant procurator fiscal
- 5.5 Where CFS is undertaking a case on behalf of the Board, no further action will be taken by any Board officer without consultation with CFS, in order to maintain the integrity of the investigation.
- 5.6 Where it is agreed that the Board shall commence an internal enquiry with a view to disciplinary proceedings and/or civil recovery, if at any stage it becomes apparent that an actionable criminal act may have taken place, the investigation must be halted and CFS consulted.
- 5.7 The Director of Human Resources shall advise those involved in the investigation on matters of employment law and other procedural matters, such as disciplinary and complaints procedures.
- 5.8 Where the incident is thought to be subject to either local or national controversy and publicity then the Board and the Scottish Government Health Directorates should be notified before the information is subjected to publicity.
- 5.9 It is the responsibility of senior managers to ensure that their staff are aware of the above requirements and that appropriate reporting arrangements are implemented.
- 5.10 It is the responsibility of all staff to protect the assets of NHS Western Isles. Assets include information and goodwill as well as property.

6. PUBLIC INTERESTS DISCLOSURE ACT 1998

- 6.1 As noted in the policy statement, the Board will maintain an honest and open culture and wishes to encourage anyone having suspicions of theft, dishonesty, corruption or fraud to report them without delay. All NHSS Boards are required to have a policy in place which provides for a secure environment for staff, practitioners and patients to report suspected frauds.
- 6.2 Guidance has been issued by Audit Scotland to organisations recommending what actions to take when staff suspect that fraudulent activity is being perpetrated. This guidance takes the form of booklets for managers and staff entitled 'Don't turn a blind eye'. Further information is also available on the Public Concern at Work website – www.whistleblowing.org.uk
- 6.3 The Fraud Liaison Officer is authorised to receive enquiries from staff confidentially and anonymously. They are also authorised to decide whether the matter raised should be reported to the Director of Finance and/or the Chair of the Audit Committee. The Board's external auditor is also so authorised.

7 REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000

- 7.1 The use of covert surveillance or covert human intelligence sources by public authorities is strictly limited by the provisions of the Regulation of Investigatory Powers (Scotland) Act 2000 (RIP(S)A). The Common Services Agency is a named authority under RIP(S)A and, as such, only the Head of CFS, the Operational Managers and a nominated senior investigator may authorise directed surveillance and the use of covert human intelligence sources (CHIS) in NHSScotland.
- 7.2 As a result of the Scottish Executive decision to amend RIP(S)A to remove the powers of NHSS Trusts, Boards and Special Health Boards to grant authorisation under RIP(S)A, all cases of potential criminal NHS fraud or other irregularity (as listed in Appendix VI – Specified Offences) must be referred to the CFS. Where appropriate the CFS will authorise and conduct directed surveillance and the use of CHIS on behalf of NHSS bodies. Where NHSS bodies are considering surveillance or the use of a CHIS in cases which do not involve fraud or other financial irregularities, such as public or staff safety or the prevention of disorder, they should contact the appropriate public body as outlined in HDL (2003) 30. This will normally be the relevant police force.

- 8.1 The SGHD guidance on financial control procedures when criminal offences are suspected is provided within the Partnership Agreement, specifically: -
- in cases of theft, where there are reasonable grounds for thinking that an item of property, including cash, has been stolen, the Director of Finance should report the details to the police.
 - in cases of suspected fraud, embezzlement, corruption and other financial irregularities, preliminary enquiries should be carried out with as much speed as possible. Restitution of funds or property is not a reason for withholding information or failing to report the facts. At the very early stages of a case of suspected fraud, including fraud involving endowment or patient funds, the CFS must be contacted to discuss whether the case will be taken forward criminally and/or through discipline and/or civil recovery;
 - where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, the Board and the CFS must decide if criminal prosecution would be an appropriate route. The norm is that all such cases should be considered for reporting to the procurator fiscal, however where both the Board and the CFS agree it is not in the public interest, generally on the grounds of low value, the case may be taken forward through discipline and/or civil recovery routes.
- 8.2 The Board and the CFS must be prepared to justify all such decisions to the appointed auditor. Breach of trust must be taken into account in these considerations, meaning that being of low value does not automatically preclude a case from being notified to the procurator fiscal. Where there is doubt as to whether a prima facie case for prosecution exists, the CFS will contact the appropriate procurator fiscal or Crown Office to obtain advice.
- 8.3 In any event, the CFS should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence or the dissipation of assets. This includes taking action to stop a loss or tighten controls.
- 8.4 Where Boards and the CFS are undertaking pro-active exercises in areas of known fraud risk, officers and directors must provide assistance and such data as is required to ensure the success of these operations.

Document Control

Version	Date	Latest changes made by	Status	Reason for change and reviewers
Version 1, approved	29.10.09	Board Members	Approved	
Version 2, Draft 1	Jan 2010	Business Manager	Draft	Updating and reviewing contents
Version 2, approved	25.03.10	Board Members	Approved	Approved subject to amendments
Version 3, Draft 1	Dec 2010 – Jan 2011	Business Manager & Director of Finance	Draft	Reformatting the layout and reviewing content.
Version 3, Approved	24.02.11	Board Members	Approved by Board	Approved at Board Meeting subject to amendments
Version 4 Approved	30.08.12	Board Members	Approved by Board	Update SFI, addition of Fraud Policy
Version 5 Approved	18.12.13	Board Members	Approved by Board	Standards of Business Conduct for NHS Staff
Version 6	27.08.14	Board Members	Approved by Board	Scheme of Delegation
Version 7	29.10.14	Board Members	Approved by Board	Revised Code of Conduct for Members

Version 8	05.02.16	Business Manager HG&AC - approved	Approved 07.09.16	<p>Updated: Terms of Reference for Risk Monitoring and Audit Committee & Clinical Governance Committee replacing with Healthcare Governance and Audit Committee.</p> <p>Replacing either of the above words with Healthcare Governance & Audit Committee.</p> <p>Updated Scheme of Delegation inserting Healthcare Governance & Audit Committee replacing any reference to Risk Monitoring & Audit Committee or Clinical Governance Committee.</p> <p>Also replacing Associate Chief Operating Officer posts with Chief Officer of IJB or Hospitals Manager.</p>
Version 9	22.05.19	Business Manager & DoF&P Healthcare Governance & Audit Committee	Approved 22.05.19	<p>Code revised fully, all sections and approved following scrutiny by the HG&AC.</p> <p>Presented to the Board 29.05.19 for Information and Assurance</p>

Version 10	17.02.20	<p>Business Manager & DoF&P</p> <p>Healthcare Governance & Audit Committee</p> <p>Present to the Board for approval – 25.03.20</p>	<p>Approved 17.02.20</p>	<p>Updated the Code with the NHS Board Standing Orders (DL (2019)24) – replacing those noted in Version 9 totally.</p> <p>Enter the Corporate Management Team Terms of Reference.</p> <p>Removal of the PFPI Committee – dissolved</p>
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