

# NHS Ayrshire & Arran



<b>Meeting:</b>	<b>Ayrshire and Arran NHS Board</b>
<b>Meeting date:</b>	<b>Monday 7 October 2024</b>
<b>Title:</b>	<b>Code of Corporate Governance</b>
<b>Responsible Director:</b>	<b>Claire Burden, Chief Executive</b>
<b>Report Author:</b>	<b>Shona McCulloch, Head of Corporate Governance</b>

## 1. Purpose

This is presented to the Committee for:

- Decision

This paper relates to:

- Government policy/directive
- Local policy

This aligns to the following NHSScotland quality ambition(s) of:

- Safe
- Effective
- Person Centred

## 2. Report summary

### 2.1 Situation

The Code of Corporate Governance (The Code) has been reviewed to meet the requirements of good corporate governance and to ensure it remains relevant and current detailing the governance framework for NHS Ayrshire & Arran (NHS A&A). Board Members are asked to approve the updated Code of Corporate Governance

### 2.2 Background

The Code was the outcome of a review in December 2012 to bring together a number of corporate governance documents into a single reference document for NHS Ayrshire & Arran. Version 01.0 was approved by the Ayrshire and Arran NHS Board in March 2013 and disseminated across the organisation. It was agreed this would be reviewed on an annual basis.

The Code provides the overarching governance framework for the organisation, presented in a detailed document which sets out how NHS Ayrshire & Arran will conduct its business. This includes the Ayrshire and Arran Integrated Health and Care governance framework which is discussed and supported by Healthcare Governance Committee prior to inclusion in The Code.

Two sections included in the Code of Corporate are informed by national Once for Scotland models:

- Model Standing Orders
- Model NHS Members Code of Conduct

The Code was last reviewed and approved by the NHS Board in May 2023.

## 2.3 Assessment

The Code has been reviewed by the Head of Corporate Governance with appropriate leads to seek updates and assurance regarding changes since the last review.

Those involved in the review for 2024

- Shona McCulloch, Head of Corporate Governance
- Zoe Fance, Head of Procurement
- Fiona McGinnis, Assistant Director of Finance (Governance and Shared Services)
- Judith Aspinwall, Financial Controller & Fraud Liaison Officer
- Geraldine Jordan, Director of Clinical and Care Governance and Debbie McCard, Risk Manager

Comments and amendments are shown below for each section and will be reflected in The Code's revision history

Section	Comment
Introduction	This section was reviewed with no changes
Section A – Board Standing Orders and How Committee Business is Organised	This section was reviewed and updated <ul style="list-style-type: none"> <li>• Change of title to “Board Standing Orders and How Committee business is organised”</li> <li>• Item 3 Board business. Added that the Board agenda headings can be changed by agreement of Board Chair and Chief Executive.</li> </ul>
Section B – Members Code of Conduct	This section was reviewed with no changes
Section C – Standards of Business Conduct for NHS Staff	This section was reviewed with no changes
Section C1 - Supporting guidance on Acceptance and Declaration of Gifts, Hospitality and Interests	This section was reviewed with no changes
Section D – Counter Fraud Policy	This section was reviewed with no changes.
Section E – Standing Financial Instructions	This section was reviewed and updated <ul style="list-style-type: none"> <li>• Section 19 Procurement updated at 19.5, 19.6 and 19.9 to reflect the current tender/quotation process for purchases of less than £10,000 and more than £10,000 up to £50,000.</li> </ul>
Section F – Scheme of Delegation	This section was reviewed and updated <p>Item 2 - Schedule of Matters Delegated to Board Executive Directors:</p> <ul style="list-style-type: none"> <li>• 4.3 Added – moved from Annex 1 as reflected delegation to a Director of the Board</li> </ul>

	<p>Item 3 – Scheme of Further Delegation</p> <ul style="list-style-type: none"> <li>• 2. Change to delegated Leads as shown in red</li> </ul> <p>Item 3 - Scheme of Further Delegation. The section has been changed throughout with changes shown in red text.</p> <ul style="list-style-type: none"> <li>• The section now includes additional delegation information in respect of board governance areas to mirror the Committee structure. This reflects board delegation, and is not a repeat of each committee Terms of Reference although the delegation is aligned to the ToR. There is additional information for Audit (new), Healthcare (added), Performance (new), Staff Governance (added), Information Governance (added), Integrated Governance (new).</li> <li>• Topics which did not align with the current headings were moved to the aligned Governance area or Other Key Areas as appropriate.</li> <li>• Section 16 Tenders has been updated to reflect SG Procurement threshold values and updated job roles. This was previously under section 12.</li> </ul> <p>In proposing the changes above reference has been made to practice across Scottish Health Boards and this will continue to be reviewed and developed as part of the next annual review of The Code.</p>
<p>Section G – Risk Management</p>	<p>This section was reviewed and updated:</p> <ul style="list-style-type: none"> <li>• 2.1 Removed sentence “where it is considered to be in the best interests of patients.</li> <li>• 2.3 Updated list to reflect 2023-2026 risk management strategy</li> <li>• Risk Appetite statement - Risk Matrix amended to read Risk Appetite Matrix</li> <li>• 6.1 Corporate risk amended to read strategic risk.</li> <li>• 6.2 Amended to reflect practice in that high risks are not notified separately to Board; are part of Strategic Risk Register.</li> <li>• 7.4 National framework document updated</li> </ul>
<p>Section H - Integrated Health and Care Governance Framework</p>	<p>This section is reviewed and agreed bi-annually by Healthcare Governance Committee for inclusion in the Code of Corporate Governance. Last review April 2023, next review April 2025.</p>

The Code is presented as the final draft for Board approval.

Following approval by the NHS Board, the Code of Corporate Governance will be communicated across the organisation through the routes below:

- Published to internal and external web pages
- Distributed via Directors for cascade and highlighting through management meeting including our Health and Social Care partners
- Digital news routes

### **2.3.3 Quality/patient care**

The Code provides the over-arching governance framework for NHS Ayrshire & Arran, which includes our Integrated Health and Care governance arrangements. This ensures the quality of our governance practice across all areas and supports the effective delivery of services and patient care across the organisation.

### **2.3.4 Workforce**

There are no workforce implications as all activity relating to the ongoing management of the Code of Corporate Governance will be delivered within existing resources.

### **2.3.5 Financial**

There is no financial impact.

### **2.3.6 Risk assessment/management**

There has been no formal risk assessment. Reviewing The Code annually ensures any changes in legislation or related to national corporate governance arrangements are up to date.

### **2.3.7 Equality and diversity, including health inequalities**

An impact assessment is not required to support the Code of Corporate Governance which is constructed using national and local standards, guidance and policies.

### **2.3.8 Other impacts**

- The Code of Corporate Governance demonstrates leadership as well a cohesive and comprehensive approach to good Corporate Governance at a strategic and operational level.
- Compliance with Corporate Objectives - the Code of Corporate Governance provides the overarching corporate governance framework for NHS Ayrshire & Arran and describes the main control systems and processes. It ensures the governance and assurance systems are embedded which will ultimately contribute to compliance with all corporate objectives.

### **2.3.9 Communication, involvement, engagement and consultation**

There is no duty to engage with external stakeholders.

### **2.3.10 Route to the meeting**

Discussed and recommended for NHS Board approval at Audit and Risk Committee on 27 September 2024.

## **2.4 Recommendation**

For decision. NHS Board Members are asked to approve the revised Code of Corporate Governance which has been updated following a review of all sections.

## **3. List of appendices**

Appendix 1 – Draft Code of Corporate Governance



# Code of Corporate Governance

**Version:** 09.0 Draft      **Supersedes:** 08.0      **Status:** Draft  
**Author:** Head of Corporate Governance      **Date Approved:**  
**Approved by:**      **Review Date:**

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**Document Control Sheet**

Title:	Code of Corporate Governance
Document Status:	Draft
Document Type:	Code
Version Number:	09.0
Document location:	AthenA and external web
Author:	Head of Corporate Governance
Owner:	Head of Corporate Governance
Approved By:	Ayrshire and Arran NHS Board
Date Effective From:	Date of approval
Review Frequency:	One year
Next Review Date:	01/05/2025

**Revision History from 2023** (contact the Head of Corporate Governance for earlier history)

Version:	Date:	Summary of Changes:	Responsible Officer:
09.0	NHS Board 07/10/24	Introduction – reviewed – no change	Head of Corporate Governance
		A – How business is organised <ul style="list-style-type: none"> <li>Change of title to “Board Standing Orders and How Committee business is organised”</li> <li>Item 3 Board business. Added that the Board agenda headings can be changed by agreement of Board Chair and Chief Executive.</li> </ul>	
		B – Members Code of Conduct – reviewed - no change	
		C - Standards of Business Conduct for NHS Staff – Reviewed - no change	
		C1 - Supporting guidance on Acceptance and Declaration of Gifts, Hospitality and Interests - Reviewed – no change	
		D – Counter Fraud Policy – reviewed - no change	
		E – Standing Financial Instructions <ul style="list-style-type: none"> <li>Section 19 Procurement updated at 19.5, 19.6 and 19.9 to reflect the current tender/quotation process for purchases of less than £10,000 and more than £10,000 up to £50,000.</li> </ul>	
		F – Scheme of Delegation <ul style="list-style-type: none"> <li>Item 2 - Schedule of Matters Delegated to Board Executive Directors: <ul style="list-style-type: none"> <li>4.3 Added – moved from Annex 1 as reflected delegation to a Director of the Board</li> </ul> </li> <li>Item 3 – Scheme of Further Delegation <ul style="list-style-type: none"> <li>2. Change to delegated Leads as shown in red</li> </ul> </li> <li>Item 3 - Scheme of Further Delegation. The section has been changed throughout with changes shown in red text.</li> </ul>	

## Code of Corporate Governance

		<ul style="list-style-type: none"> <li>The section now includes additional delegation information in respect of board governance areas to mirror the Committee structure. This reflects board delegation, and is not a repeat of each committee Terms of Reference although the delegation is aligned to the ToR. There is additional information for Audit (new), Healthcare (added), Performance (new), Staff Governance (added), Information Governance (added), Integrated Governance (new).</li> <li>Topics which did not align with the current headings were moved to the aligned Governance area or Other Key Areas as appropriate.</li> <li>Section 16 Tenders has been updated to reflect SG Procurement threshold values and updated job roles. This was previously under section 12.</li> </ul>	
		<p>G – Risk Management</p> <ul style="list-style-type: none"> <li>2.1 Removed sentence “where it is considered to be in the best interests of patients.</li> <li>2.3 Updated list to reflect 2023-2026 risk management strategy</li> <li>Risk Appetite statement - Risk Matrix amended to read Risk Appetite Matrix</li> <li>6.1 Corporate risk amended to read strategic risk.</li> <li>6.2 Amended to reflect practice in that high risks are not notified separately to Board; are part of Strategic Risk Register.</li> <li>7.4 National framework document updated</li> </ul>	
		<p>H – Integrated Health and Care Governance Framework – no change. Reviewed and agreed bi-annually by Healthcare Governance Committee. Next review April 2025.</p>	
08.0	NHS Board 23/05/2023	<p>Introduction</p> <ul style="list-style-type: none"> <li>Updated wording for Blueprint for Good Governance in NHS Scotland 2<sup>nd</sup> edition</li> <li>Removal of Section 12 as duplicate of Contents page</li> </ul>	Head of Corporate Governance
		<p>A – How business is organised</p> <ul style="list-style-type: none"> <li>Standing Orders updated to include reference to the Blueprint for Good Governance 2<sup>nd</sup> edition.</li> <li>High level remit of governance committees included in addition to links to Terms of Reference.</li> <li>Integrated Health and Care Governance Framework removed as an Annex and added at Section H.</li> </ul>	
		<p>B – Members Code of Conduct – reviewed - no change</p>	
		<p>C - Standards of Business Conduct for NHS Staff – received and no change</p>	

## Code of Corporate Governance

		<p>C Annex - Supporting guidance for staff ref on the registering of interests, gifts &amp; hospitality</p> <ul style="list-style-type: none"> <li>• Guidance updated to remove reference to Board Members (who comply with Members of Conduct).</li> <li>• Guidance made clearer with headings so that staff can access the information they need.</li> <li>• Appendix 7 updated to remove Medical Staffing as an OHRD Targeted Group as no longer applicable.</li> </ul>	
		D – Counter Fraud Policy – reviewed - no change	
		<p>E – Standing Financial Instructions</p> <ul style="list-style-type: none"> <li>• Para 14.6 added to describe arrangements for Project Bank Accounts for all capital building projects where the budget is over £2m. Subsequent paras renumbered.</li> <li>• Section 19 Procurement updated: <ul style="list-style-type: none"> <li>– 19.3 National Procurement added as able to give authority.</li> <li>– 19.8 OJEU changed to WTO</li> <li>– 19.15 Tenders process updated to reflect current practice</li> <li>– 19.21 added statement on acceptance of tenders when tender received is not the lowest priced.</li> </ul> </li> </ul>	
		<p>F – Scheme of Delegation</p> <ul style="list-style-type: none"> <li>• 2.4.3 Change of authority limit for Chief Executive acting with Director of Finance to approve the acceptance of tenders up to a value of £5M changed from £3M.</li> <li>• 2.4.5 removed para on use of tender register when tender agreed is not the lowest received and renumbered subsequent para.</li> <li>• 3.5.2 added statement on Project Bank Accounts</li> </ul>	
		G – Risk Management section updated to reflect the 2023-2026 Risk Management Strategy, with updated objectives; clarification of governance arrangements, statement on IJB risk management and the updated Risk Appetite statement and matrix.	
		H – Integrated Health and Care Governance Framework moved from Section A, Annex 5. Updated to include Care Home support arrangements and new Public Protection arrangements	

**Approvals:** this document was formally approved by:

Name & Title / Group:	Date:	Version:
NHS Board	March 2013	01.0
NHS Board	March 2015	02.0
NHS Board	June 2016	03.0
NHS Board	26/06/2017	04.0
NHS Board	25/06/2018	05.0
NHS Board	24/06/2019	05.1
Chief Executive - updates previously approved by NHS Board	03/12/2020	05.2
NHS Board	24/05/2021	06.0
NHS Board	23/05/2022	07.0



## Code of Corporate Governance

NHS Board	23/05/2023	08.0
NHS Board		09.0

### Dissemination Arrangements:

Intended audience:	Method:	Date:	Version:
All Staff	NHS Ayrshire & Arran internal and external web Health and Social Care Partnerships CMT Team from 2020 Daily Digest article from 2022	29 July 2015	02.0
		June 2017	03.0
		11/07/2017	04.0
		04/07/2018	05.0
		11/07/2019	05.1
		05/12/2020	05.2
		05/07/2021	06.0
		22/06/2022	07.0
		28/06/2023	08.0
		09.0	

### Linked Documentation:

Document Title:	Document File Path:
The Blueprint for Good Governance in NHS Scotland	<a href="http://www.gov.scot">NHS Scotland - blueprint for good governance: second edition - gov.scot (www.gov.scot)</a>
Corporate Records Retention and disposal policy (internal link)	<a href="http://athena/kmeh/kmeh/igs/Documents/CorpRMPolicy.pdf">http://athena/kmeh/kmeh/igs/Documents/CorpRMPolicy.pdf</a>
Model Code of conduct for devolved public bodies	<a href="http://standardscommissionscotland.org.uk">Model Code of Conduct for Members of Devolved Public Bodies (standardscommissionscotland.org.uk)</a>
Risk Management Strategy	<a href="http://athena/execmed/riskmgt/Risk%20management%20library/Risk%20Management%20Strategy.pdf">http://athena/execmed/riskmgt/Risk%20management%20library/Risk%20Management%20Strategy.pdf</a>

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# Contents

## **Introduction**

This section introduces the Code of Corporate Governance and its purpose and scope. It sets out definitions of terms and role and responsibilities. It explains the role of the NHS Board and Corporate Governance, the need for accountability and openness and that the principles of The Code apply to Endowment Trustees and Board Committees

## **Section A Board Standing Orders and how committee business is organised**

This section explains how the business of Ayrshire and Arran NHS Board and its Committees is organised.

## **Section B Members Code of Conduct**

This section is for Members of Ayrshire and Arran NHS Board and details how they should conduct themselves in undertaking their duties.

## **Section C Standards of Business Conduct for NHS Staff**

This section is for all staff to ensure they are aware of their duties in situations where there may be conflict between their private interests and their NHS duties.

## **Section C1 Supporting guidance for Standards of Business Conduct for NHS Staff**

Annex to section C

This section provides guidance to staff on criteria and steps to take for acceptance and declaration of gifts and hospitality and interests

## **Section D Counter Fraud Policy and Action Plan**

This section explains with how staff must deal with suspected fraud and NHS Ayrshire & Arran's intended response to a reported suspicion of fraud.

## **Section E Standing Financial Instructions**

This section explains how staff will control the financial affairs of NHS Ayrshire & Arran and ensure proper standards of financial conduct.

## **Section F Scheme of Delegation**

This section gives details and levels of delegation across all areas of the business of NHS Ayrshire & Arran

## **Section G Risk Management**

This section explains how NHS Ayrshire & Arran staff will manage risks that affect the organisation.

## **Section H Integrated Health and Care governance framework**

This section explains how NHS Ayrshire & Arran and the three Ayrshire Integration Joint Boards discharge their Health and Care Governance accountability



# Introduction

## 1.0 Introduction

The NHS Ayrshire & Arran Code of Corporate Governance (The Code) is a set of standards and policies which provide the overarching governance framework presented in a detailed document. The Code sets out how NHS Ayrshire & Arran will conduct its business.

The governance framework supports the requirements of [The Blueprint for Good Governance in NHS Scotland](#), Second Edition published by Scottish Government in December 2022 through Directors Letter [DL2022 \(38\)](#). This revised edition contains guidance for best practice in corporate governance, with a particular focus on the healthcare setting, and sets out a model 'blueprint' for a system of corporate governance to be applied consistently across all NHS Boards.

The following sections are included in the NHS Ayrshire & Arran's Code of Corporate Governance:

<b>Section A</b>	How Business is Organised including Standing Orders
<b>Section B</b>	Members Code of Conduct
<b>Section C</b>	Standards of Business Conduct for NHS Staff
<b>Section C1</b>	Supporting guidance for Staff and Board Members on acceptance and declaration of gifts and hospitality and declarations of interest
<b>Section D</b>	Counter Fraud Policy and Action Plan
<b>Section E</b>	Standing Financial Instructions
<b>Section F</b>	Scheme of Delegation
<b>Section G</b>	Risk Management
<b>Section H</b>	Integrated Health and care framework

The Code of Corporate Governance is published on the Board's Intranet and external web.

## 2.0 Purpose

This purpose of this document is to provide guidance and instruction on the organisation's corporate governance framework. To ensure that all NHS employees in Ayrshire and Arran are aware of their duties under The Code and comply with the details requirements under each section.

## 3.0 Scope

This Code of Corporate Governance is applicable to all employees of NHS Ayrshire & Arran, including holders of honorary contracts, to independent contractors when they are working on behalf of NHS Ayrshire & Arran, to Non-executive Directors of the NHS Board and to NHS Ayrshire & Arran employees working within the Health and Social Care Partnerships – as set out in each section of The Code.

## 4.0 Definition of Terms

Any expressions to which a meaning is given in the Health Service Acts or in the Regulations or Orders made under the Acts shall have the same meaning in this interpretation and in addition:

<b>Definition</b>	<b>Meaning</b>
<b>The Accountable Officer</b>	Is the Chief Executive of NHS Ayrshire & Arran, who is responsible to the Scottish Parliament for the economically efficient and effective use of resources. The Chief Executive of NHS Ayrshire & Arran is also accountable to the Board for clinical, staff and financial governance, including controls assurance and risk management, and for delivery of other statutory requirements. This is a legal appointment made by the Principal Accountable Officer of the Scottish Government. (Public Finance and Accountability (Scotland) Act 2000 Memorandum to Accountable Officers for other Public Bodies).
<b>The Act</b>	The National Health Service (Scotland) Act 1978 as amended.
<b>The 2001 Regulations</b>	The Health Board's (Membership and Procedure) (Scotland) Regulations 2011.
<b>The 1960 Act</b>	The Public Bodies (Admission to Meetings) Act 1960 as amended.
<b>Board Annual Plan</b>	The document which sets out the agreement/delivery contract between Scottish Government and NHS Ayrshire & Arran. Has previously been called the Local Delivery Plan (LDP) and Annual Operational Plan (AOP)
<b>Board Member</b>	A person appointed as a Member of the Board by Scottish Ministers and who is not disqualified from membership.
<b>Budget</b>	Money proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Board.
<b>Chair</b>	The person appointed by the Scottish Ministers to lead the Board and to ensure that it successfully discharges its responsibility as a whole. The Chair of a Committee is responsible for fulfilling the duties of a Chair in relation to that Committee only.
<b>Chief Executive</b>	Is the Accountable Officer of NHS Ayrshire & Arran.
<b>Committee</b>	A Committee established by the Board and includes "Sub-Committee".
<b>Committee Members</b>	People formally appointed by the Board to sit on or to chair specific committees.
<b>Contract</b>	Any arrangements including an NHS Contract.
<b>Co-opted Member</b>	An individual, not being a Member of the Board, who is appointed to serve on a Standing Committee, Special Committee, or Sub-Committee of the Board.
<b>Corporate Governance</b>	The term used to describe our overall control system.

Definition	Meaning
<b>Head of Corporate Governance</b>	The Officer appointed by the Chief Executive to oversee the management of the Board's corporate governance arrangements in line with statutory requirements and NHS Scotland guidelines.
<b>HSCP</b>	Health and Social Care Partnership
<b>IJB</b>	Integration Joint Board
<b>Lay Member</b>	An individual, not being an employee of the Board, who is appointed to serve on a Committee of the Board.
<b>Meeting</b>	A meeting of the Board or any Committee.
<b>Nominated Officer</b>	An officer charged with the responsibility for discharging specific tasks within the Code of Corporate Governance.
<b>SFIs</b>	Standing Financial Instructions.
<b>SGHSCD</b>	Scottish Government Health and Social Care Directorates
<b>Vice Chair</b>	The Non-Executive Member appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.

## 5.0 Roles & responsibilities

- **It is the duty of the Chair and the Chief Executive** to ensure that Board members and staff understand their responsibilities.
- **The Chief Executive** is responsible as Accountable Officer for the organisation's system of internal control and the Code of Corporate Governance.
- **Directors** are responsible to ensure compliance with the Code of Corporate Governance and for ensuring their staff understand their responsibilities.
- **Managers** are responsible for ensuring their staff understand their responsibilities.
- **Head of Corporate Governance** is responsible for ensuring that The Code of Corporate Governance is reviewed annually and that any changes are managed and approved via the NHS Board.
- **All employees including Board Members** are responsible to comply with the Code of Corporate Governance

## 6.0 Ayrshire and Arran NHS Board

6.1 Ayrshire and Arran NHS Board (the Board) is a strategic body, accountable to the Scottish Government Health and Social Care Directorates and to Scottish Ministers for the functions and performance of NHS Ayrshire & Arran. The Board consists of the Chair, Non-Executive and Executive Members, all appointed by the Scottish Ministers.

The Board will not concern itself with day-to-day operational matters, except where they have an impact on the overall performance of the system.

**6.2 The overall purpose of NHS Ayrshire & Arran Board is:**

- To ensure the efficient, effective and accountable governance of NHS Ayrshire & Arran health system, and to provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes.

**6.3 The role of the Board is:**

- To improve and protect the health of local people.
- To improve health services for local people.
- To focus clearly on health outcomes and people’s experiences of NHS Ayrshire & Arran.
- To promote joint health and community planning by working closely with our partners and other organisations.
- To be accountable for the scrutiny and performance of NHS Ayrshire & Arran as a whole.
- To involve the public in the design and delivery of healthcare services.

**6.4 The functions of the Board are:**

- Provision of strategic leadership and direction for the local health system as a whole.
- Resource allocation to address local priorities.
- To oversee implementation of the Board Annual Plan.
- To manage the performance of NHS Ayrshire & Arran, including risk management.

**6.5 Responsibilities of members of NHS Ayrshire & Arran Board are:**

- Shared responsibility for the discharge of the functions of the Board.
- Independent judgement on issues of strategy, performance management, key appointments and accountability to Scottish Ministers and to the local community.
- Responsibility for the overall performance of NHS Ayrshire & Arran.

**6.7 Composition of the Board**

The Board will consist of the following members appointed by the Minister:

<b>Non-Executive Members (15)</b>	<b>Executive Members (5)</b>
Chair	Chief Executive
9 Non-Executive Members	Director of Finance
Chair – Area Clinical Forum	Nurse Director
Chair – Area Partnership Forum	Medical Director
3 Local Authority Elected Members	Director of Public Health

## 7.0 Corporate Governance

Corporate Governance is the term used to describe our overall control system. It details how we direct and control our functions and how we relate to our communities and covers the following dimensions:

- Service delivery arrangements.
- Structures and processes.
- Risk management and internal control.
- Standards of conduct.

Ayrshire and Arran NHS Board is responsible for corporate governance by:

- Giving leadership and strategic direction.
- Putting in place controls to safeguard public resources.
- Supervising the overall management of its activities.
- Reporting on management and performance

## 8.0 Conduct, accountability and openness

Board Members and staff are expected to promote and support the principles in the Members' Code of Conduct (Section B) and the Standards of Business Conduct for NHS Staff (Section C), and to promote through their own personal conduct the values of:

1. Duty - Public Service
2. Selflessness
3. Integrity
4. Objectivity
5. Accountability and Stewardship
6. Openness
7. Honesty
8. Leadership
9. Respect

## 9.0 Endowment funds

The principles of this Code of Corporate Governance apply equally to Members of Ayrshire and Arran's NHS Board who have distinct legal responsibilities as Trustees and the Endowment Funds.

## 10.0 Advisory and other committees

The principles of this Code of Corporate Governance apply equally to all NHS Ayrshire & Arran Advisory Committees and all committees and groups which report directly to an Ayrshire and Arran NHS Board Committee.



## 11.0 Review and feedback

The Board will keep the Code of Corporate Governance under review and undertake a comprehensive review annually.

The Board may, on its own or if directed by the Scottish Ministers, vary and revoke Standing Orders for the regulation of the procedure of business of the Board and of any Committee. The Audit and Risk Committee is responsible for advising the Board on these matters.

NHS Ayrshire & Arran wishes to improve continuously. To ensure that this Code remains relevant, we would be happy to hear from you with regard to new operational procedures, changes to legislation, confusion regarding the interpretation of statements or any other matter connected with the Code.

Comments and suggestions for improvement are most welcome and should be sent to:

Head of Corporate Governance  
NHS Ayrshire & Arran  
Eglinton House  
Ailsa Hospital  
Dalmellington Road  
AYR KA6 6AB  
Via email: [aa-uhb.ceo@aapct.scot.nhs.uk](mailto:aa-uhb.ceo@aapct.scot.nhs.uk)



# Section A

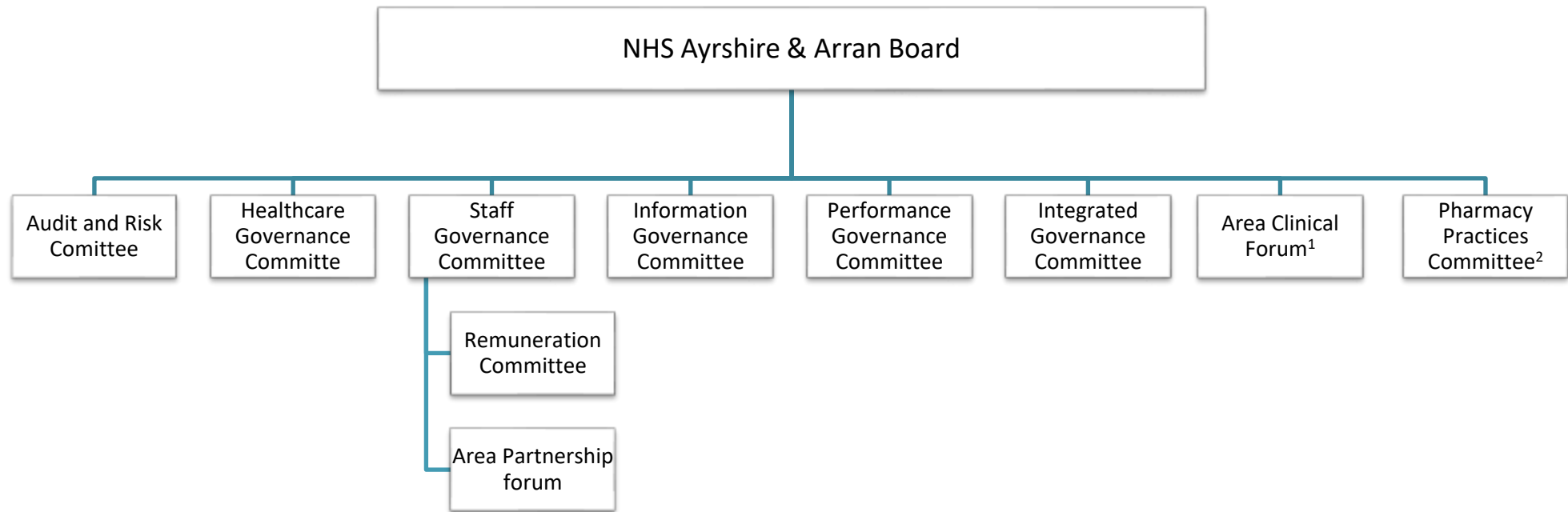
## Board Standing Orders How Committee business is organised

This section provides the Board Standing Orders and explains how the business of NHS Ayrshire & Arran Board Committees is organised

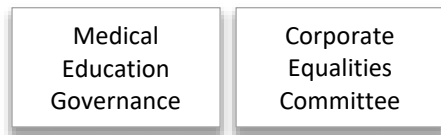
- [Item 1:](#) The Board and its committee structure
- [Item 2:](#) Board Standing Orders
- [Item 3:](#) How committee meetings must be organised – additional guidance to support the Board Standing Orders
- [Item 4:](#) Governance Committees' role and function

Code of Corporate Governance  
Section A – Item 1 – The Board and its Committees

**Item 1: The Board and its Committees**



Sub-committees which report to NHS board (NOT standing committees):



<sup>1</sup> Standing committee of the Board, advisory, reports annually to Board.

<sup>2</sup> Standing committee of the Board - decision making, reports annually to Board

## Item 2: NHS Board Standing Orders

DL(2019)24 - NHS Boards Standing Orders was published on 13 December 2019. This directive published a model Standing Order template which has been adopted by NHS Ayrshire & Arran. These Standing Orders were approved by the NHS Board on **Date to be added**

### Standing orders for the proceedings and business of Ayrshire and Arran NHS Board

#### 1. General

- 1.1 These Standing Orders for regulation of the conduct and proceedings of Ayrshire and Arran NHS Board, the common name for NHS Ayrshire & Arran 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 Blueprint for Good Governance in NHS Scotland (issued through [DL\(2019\) 02](#)) has informed these Standing Orders. A Second Edition of The Blueprint was issued through [DL\(2022\) 38](#) in December 2022. 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.

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- 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 NHS Ayrshire & Arran 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.

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1.11 The Board's Head of Corporate Governance 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 Head of Corporate Governance 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 seven 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.

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- 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.

## **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



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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 theirs', 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.

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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.

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- 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 Head of Corporate Governance (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.

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- j) Annual accounts and report. (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.)

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 (click [here](#)).

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

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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.

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- 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 Ayrshire and Arran NHS Board and is not to be counted when determining the committee's quorum.

### **Item 3: How committee meetings must be organised**

This section provides supporting guidance and must be read in conjunction with each governance committee Terms of Reference and the Board Standing Orders.

#### **1. Board business**

1.1 For ordinary meetings of the Board, the business shown on the agenda shall normally proceed in the following order:

- Business determined by the Chair to be a matter of urgency by reason of special circumstances
- Apologies for absence
- Declarations of interest
- Minute of previous meeting
- Matters arising
- Chief Executive and Chairman's Report
- Quality
- Corporate Governance
- Service
- Performance
- Decisions/Approval
- Items for Information/noting
- Any Other Competent Business (items of which due notice has been given).
- Date of Next Meeting

This is subject to review and can be amended by agreement of the Board Chair and Chief Executive.

#### **1.2 Submission of papers**

- Board papers shall be submitted by Directors when requested, or when, in the professional opinion of such an individual, a paper is required to enable compliance with any statute, regulation or Ministerial Direction, or other rule of law, or where the demands of the service under their control require.
- Papers to be submitted shall be provided to the Head of Corporate Governance in line with the Board Calendar deadlines. The Board calendar is issued to Directors annually and is available via the Board MS Teams channel.
- The Director of Finance should be consulted on all proposals with significant financial implications. No paper with significant financial implications should be presented at a meeting when this has not been done. Any observations by those Directors on matters within their professional remit shall be incorporated into the paper.
- Only those papers which require a decision to be taken by the Board, or are necessary to enable the Board to discharge its business or exercise its monitoring role, will normally be included on the agenda. It shall be delegated to the Head of Corporate Governance in conjunction with the Board Chair to make

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the final determination on whether or not an item of business should be included on an Agenda.

- All papers will be submitted in writing. Verbal reports will only be accepted in exceptional circumstances and with the prior approval of the Chair of the Board.

**2. Membership of standing committees (Governance Committees):**

2.1 The Membership and Qorum of each committee is set out in the Terms of Reference.

2.2 In determining the membership of Committees, the Board shall have due regard to its role, remit and accountability requirements. Certain Members may not be appointed to serve on a particular Committee as a consequence of their positions. Specific exclusions are:

Audit and Risk Committee

- the Chair of the Board
- Non-Executives who are also employees of the NHS Board (eg. Chair of Area Clinical Forum or Employee Director)

Remuneration Sub Committee

- any Executive member

2.3 The Board has the power to vary membership of Committees at any time provided:

- In any case this is not contrary to statute, regulation or Direction by Scottish Ministers;
- Each Member of the Board is afforded proper opportunity to serve on Committees

2.4 Casual vacancies occurring in any Committee shall be filled as soon as possible by the NHS Board after the vacancy takes place.

2.5 Each Committee will have a minimum number of Non-Executive Members which includes those Non-Executives who are Members due to the office they hold.

Committee	Non-Execs	Quorum
Audit and Risk Committee	6	3
Healthcare Governance Committee	6	3
Staff Governance Committee	6	3
Information Governance Committee	5	3
Performance Governance Committee	6	3
Integrated Governance Committee	6	3



**3. Membership of committees due to Office held**

3.1 Ayrshire and Arran NHS Board Chair – can opt on all Committees as required with the exception of Audit and Risk Committee

3.2 Employee Director

- Area Partnership Forum
- Staff Governance Committee
- Performance Governance Committee
- Remuneration Sub-committee
- Endowment Sub-committee

3.3 Chair of Area Clinical Forum

- Healthcare Governance Committee
- Staff Governance Committee

**4. Functioning of committee**

4.1 An Executive Member shall be appointed as an ex-officio member to support the functioning of each Committee.

4.2 An Executive Member or another specified Lead Officer shall be appointed as an ex-officio member to support the functioning of any sub-committees agreed.

4.3 Where the functions of the Board are being carried out by 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.

4.4 During intervals between meetings of Committees or Sub-Committees, the Chair of a Committee shall, in conjunction with the Chief Executive and the Executive Director or Lead Officer have powers to deal with matters of urgency which fall within the Terms of Reference of the Committee and require a decision which would normally be taken by the Committee. All decisions so taken shall be reported to the next full meeting of the relevant Committee or Sub-Committee. It shall be for the Chair of the Committee or Sub-Committee, in consultation with the Chief Executive and Executive Director or Lead Officer concerned, to determine whether a matter is urgent in terms of this Standing Order.

**5. Delegation**

5.1 Each Committee shall have the delegated authority to determine any matter within its role and function as set out in the Terms of Reference.

5.2 Committees shall conduct their business within their role and function, and in exercising their authority, shall do so in accordance with the following provisions. However in relation to any matter either not specifically referred to in the role and function, 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 appropriate recommendations to the Board.

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- 5.3 Committees must conduct all business in accordance with NHS Ayrshire & Arran policies and the Code of Corporate Governance.
- 5.4 The Board may at any time vary, add to, restrict or recall any reference or delegation to any Committee. Specific direction by the Board to the remit of a Committee shall take precedence over the terms of any provision in the role and function
- 5.5 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 Committees have considered the matter. Where appropriate this would be addressed via the Integrated Governance Committee.
- 5.6 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. Where matters cross over various committees the Integrated Governance Committee has a remit to discuss matters and make a final agreement in accordance with its Terms of Reference. If required any matter can be remitted for discussion by the NHS Board in agreement with the Board Chair.

**6. Integration Joint Boards**

The Integration Joint Boards within North, East and South Ayrshire were established as legal entities with effect from 1 April 2015 and agreed within the Integration Scheme is:

- The NHS Board must nominate four members to Ayrshire IJBs.
- These nominations should be Non executive Directors but there is scope to nominate a maximum of two Executive Directors where this is not possible.
- One of the Non executive members shall serve as the Chair or Vice Chair of the IJB.
- The period of office of voting members will be for a period not exceeding three years.
- A voting member appointed by the NHS Board ceases to be a voting member of the Integration Joint Board if they cease to be a non-executive Director of the NHS Board.
- The Chairperson and Vice Chairperson will be drawn from the NHS Board and the Council voting members of the Integration Joint Board. If a Council member is to serve as Chairperson then the Vice Chairperson will be a member nominated by the NHS Board and vice versa.
- The appointment to Chairperson and Vice Chairperson is time-limited to a period not exceeding three years and carried out on a rotational basis. The term of office of the first Chairperson and Vice Chairperson will be for the period to the local government elections in 2017, thereafter the term of office of the Chairperson and Vice Chairperson will be for a period of two years.

#### **Item 4: Governance Committees role and function**

##### **1. Audit and Risk Committee**

The Audit and Risk Committee shall have a remit that includes:

- Gaining assurance that all risk and change in risk is being monitored
- Review of Audit Plans for recommendation to the NHS Board for approval
- Monitoring the internal and external audit programme
- Monitoring financial risk management to the Audit and Risk Committee
- Keeping under review and recommending any changes to bank account signatories
- Responsibility for overall audit arrangements
- Overseeing the Board's Internal Control Systems and financial risk
- Keeping under review the role, function and performance of the Board's Internal Audit service
- Keeping under review the Board's External Audit arrangements
- Keeping under review and monitoring the Board's Standing Financial Instructions, Standing Orders and Counter Fraud arrangements.

##### **2. Healthcare Governance Committee**

The Healthcare Governance Committee shall have a remit that addresses the wider Quality Strategy including:

- Quality Improvement
- Safety
- Person-centred
- Clinical Effectiveness
- The Board's screening programmes and any health protection matters
- Care home governance
- Health and care in Health and Social Care Partnerships
- To review the strategic risks aligned to the Committee and to provide assurance to the NHS Board in respect of the risks that fall within the Committee specific remit.

##### **3. Staff Governance Committee**

The Staff Governance Committee shall have a remit that includes:

- Agreeing, monitoring and reviewing objectives to improve the standards of Staff Governance
- Ensuring appropriate structures and processes are in place in relation to Staff Governance matters to provide assurance to the Board
- Overseeing the development, delivery and monitoring of the Staff Governance elements of the Boards delivery plan
- Exercising delegated authority on behalf of Ayrshire and Arran NHS Board for matters relevant to the Committee's role and remit

Code of Corporate Governance  
Section A – Item 3 How committee meetings are organised

- Ensuring there is adequate communications between the Committee Partnership arrangements and staff to support delivery of the Staff Governance Standards
- To review the strategic risks aligned to the Committee and to provide assurance to the NHS Board in respect of the risks that fall within the Committee specific remit.

4. Information Governance Committee

The Information Governance Committee shall have a remit that includes:

- Caldicott Principles
- Freedom of Information
- NHS Scotland Code of Practice on Confidentiality
- Data Protection
- Information Assurance
- Information Security
- Data Sharing
- To review the strategic risks aligned to the Committee and to provide assurance to the NHS Board in respect of the risks that fall within the Committee specific remit.

5. Performance Governance Committee

The Performance Committee shall have a remit that includes:

- Annual Operational Plan performance targets
- Investment Scrutiny
- Benefits realisation
- Post Project Evaluation
- Finance and Service Performance
- To review the strategic risks aligned to the Committee and to provide assurance to the NHS Board in respect of the risks that fall within the Committee specific remit.

6. Integrated Governance Committee

The Integrated Governance Committee shall have a remit that includes:

- Keeping under review governance issues that have application across Ayrshire and Arran
- Keeping under review the Board's Corporate Governance arrangements
- Discussing specific themes and issues relating to governance and risk that have implications for the Board's Governance Committees.
- Monitoring delivery and seeking assurance of progress for agreed specific programmes of work across health and social care.
- To review the strategic risks aligned to the Committee and to provide assurance to the NHS Board in respect of the risks that fall within the Committee specific remit.

7. Health and Social Care Partnerships Health and Care Governance Groups

The Health and Care Governance Groups within each of the Health and Social Care Partnerships shall have a remit that will:

- Provide assurance to the IJB on the quality of services delivered by the partnership.
- To support the governance of public protection within the Partnership, including child, adult protection and MAPPA.
- To oversee the processes within the Partnership to ensure that appropriate action is taken in response to adverse events, scrutiny reports/action plans, safety action notices, feedback, complaints and litigation, and that examples of good practice and lessons learned are disseminated within and across the Partnership(s) and beyond as appropriate.
- To monitor the Partnerships Risk Register from a health and care governance perspective and escalate to the IJB any unresolved risks that require executive action or that pose significant threat to patient care, service provision or the reputation of the Partnership.
- To ensure that mechanisms are in place for services to routinely listen, learn and develop from service user experience.
- To ensure that quality and self-evaluation mechanisms are in place to inform a culture of continuous improvement.
- To provide an annual report on Health and Care governance to the IJB and NHS Ayrshire & Arran Healthcare Governance Committee and the Cabinet of the local authority.

The Integrated Health and Care Governance Framework can be found in Section H.

## **Annex A – Governance Committee Terms of Reference**

The Terms of Reference for each Governance Committee of the Board must be read in conjunction with the Board Standing Orders. The Terms of Reference have been approved by the NHS Board and are available on the organisations web page [Meetings and Papers - NHS Ayrshire & Arran \(nhsaaa.net\)](http://nhsaaa.net)

### **Governance committee of the NHS Ayrshire & Arran Board:**

- Audit and Risk Committee ([click here](#))
- Healthcare Governance Committee ([click here](#))
- Information Governance Committee ([click here](#))
- Integrated Governance Committee ([click here](#))
- Performance Governance Committee ([click here](#))
- Staff Governance Committee ([click here](#))



# Section B

## Member's Code of Conduct

This section is for the Members of NHS Ayrshire & Arran Board and its Committees and details how they should conduct themselves in undertaking duties

Further information and supporting guidance on the Model Code of Conduct for Public Bodies is available on the [Standards Commission for Scotland website](#)

Useful links below:

- [Model Code of Conduct – Standards Commission Guidance](#)
- [Model Code of Conduct for Members of Boards of Devolved Public Bodies \(2021\)](#)



# **Code of Conduct for Members of NHS AYRSHIRE & ARRAN**

**October 2024**



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## Section 1: Introduction To The Code Of Conduct

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1.1 This Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the [Ethical Standards in Public Life etc. \(Scotland\) Act 2000 \(the “Act”\)](#).

1.2 The purpose of the Code is to set out the conduct expected of those who serve on the boards of public bodies in Scotland.

1.3 The Code has been developed in line with the nine key principles of public life in Scotland. The principles are listed in [Section 2](#) and set out how the provisions of the Code should be interpreted and applied in practice.

### My Responsibilities

1.4 I understand that the 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. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.

1.5 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all situations and at all times where I am acting as a board member of my public body, have referred to myself as a board member or could objectively be considered to be acting as a board member.

1.6 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all my dealings with the public, employees and fellow board members, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and my public body’s rules, standing orders and regulations. I will also ensure that I am familiar with any guidance or advice notes issued by the Standards Commission for Scotland (“Standards Commission”) and my public body, and endeavour to take part in any training offered on the Code.

1.8 I will not, at any time, advocate or encourage any action contrary to this Code.

1.9 I understand that no written information, whether in the Code itself or the associated Guidance or Advice Notes issued by the Standards Commission, can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Standards Officer of my public body, failing whom the Chair or Chief Executive of my public body. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

### Enforcement

1.10 [Part 2 of the Act](#) sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at [Annex A](#).

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## Section 2: Key Principles Of The Model Code of Conduct

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2.1 The Code has been based on the following key principles of public life. I will behave in accordance with these principles and understand that they should be used for guidance and interpreting the provisions in the Code.

2.2 I note that a breach of one or more of the key principles does not in itself amount to a breach of the Code. I note that, for a breach of the Code to be found, there must also be a contravention of one or more of the provisions in sections 3 to 6 inclusive of the Code.

The key principles are:

### **Duty**

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the public body of which I am a member and in accordance with the core functions and duties of that body.

### **Selflessness**

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

### **Integrity**

I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

### **Objectivity**

I must make decisions solely on merit and in a way that is consistent with the functions of my public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

### **Accountability and Stewardship**

I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that my public body uses its resources prudently and in accordance with the law.

### **Openness**

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

### **Honesty**

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

### **Leadership**

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

**Respect**

I must respect all other board members and all employees of my public body and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

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## Section 3: General Conduct

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### Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am online and when I am using social media.

3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity and seek to foster good relations between different people.

3.3 I will not engage in any conduct that could amount to bullying or harassment (which includes sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.4 I accept that disrespect, bullying and harassment can be:

- a) a one-off incident,
- b) part of a cumulative course of conduct; or
- c) a pattern of behaviour.

3.5 I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.6 I accept that it is my responsibility to understand what constitutes bullying and harassment and I will utilise resources, including the Standards Commission's guidance and advice notes, my public body's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

3.7 Except where it is written into my role as Board member, and / or at the invitation of the Chief Executive, I will not become involved in operational management of my public body. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.

3.8 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as appropriate.

3.9 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of my public body or bring any undue influence to bear on employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.

3.10 I will respect and comply with rulings from the Chair during meetings of:

- a) my public body, its committees; and
- b) any outside organisations that I have been appointed or nominated to by my public body or on which I represent my public body.

3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

### **Remuneration, Allowances and Expenses**

3.12 I will comply with the rules, and the policies of my public body, on the payment of remuneration, allowances and expenses.

### **Gifts and Hospitality**

3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.

3.14 I will never **ask for** or **seek** any gift or hospitality.

3.15 I will refuse any gift or hospitality, unless it is:

- a) a minor item or token of modest intrinsic value offered on an infrequent basis;
- b) a gift being offered to my public body;
- c) hospitality which would reasonably be associated with my duties as a board member; or
- d) hospitality which has been approved in advance by my public body.

3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my public body.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise my public body’s Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my public body can monitor this.

3.21 I will familiarise myself with the terms of the [Bribery Act 2010](#), which provides for offences of bribing another person and offences relating to being bribed.

## **Confidentiality**

3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given.

3.23 I accept that confidential information can include discussions, documents, and information which is not yet public or never intended to be public, and information deemed confidential by statute.

3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit my public body (even if my personal view is that the information should be publicly available).

3.25 I note that these confidentiality requirements do not apply to protected whistleblowing disclosures made to the prescribed persons and bodies as identified in statute.

## **Use of Public Body Resources**

3.26 I will only use my public body's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of the public body, in accordance with its relevant policies.

3.27 I will not use, or in any way enable others to use, my public body's resources:

- a) imprudently (without thinking about the implications or consequences);
- b) unlawfully;
- c) for any political activities or matters relating to these; or
- d) improperly.

## **Dealing with my Public Body and Preferential Treatment**

3.28 I will not use, or attempt to use, my position or influence as a board member to:

- a) improperly confer on or secure for myself, or others, an advantage;
- b) avoid a disadvantage for myself, or create a disadvantage for others or
- c) improperly seek preferential treatment or access for myself or others.

3.29 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

3.30 I will advise employees of any connection, as defined at [Section 5](#), I may have to a matter, when seeking information or advice or responding to a request for information or advice from them.

## **Appointments to Outside Organisations**

3.31 If I am appointed, or nominated by my public body, as a member of another body or organisation, I will abide by the rules of conduct and will act in the best interests of that body or organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of that body or organisation.

3.32 I accept that if I am a director or trustee (or equivalent) of a company or a charity, I will be responsible for identifying, and taking advice on, any conflicts of interest that may arise between the company or charity and my public body.



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## Section 4: Registration Of Interests

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4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their registrable interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.

4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

### Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

- a) employed;
- b) self-employed;
- c) the holder of an office;
- d) a director of an undertaking;
- e) a partner in a firm;
- f) appointed or nominated by my public body to another body; or
- g) engaged in a trade, profession or vocation or any other work.

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

4.6 I understand that 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, "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.

4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph [6.8](#) of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

### **Category Two: Other Roles**

4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

4.14 I will register the registered name and registered number 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 I am a director and from which I receive remuneration.

### **Category Three: Contracts**

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.20 below) have made a contract with my public body:

- a) under which goods or services are to be provided, or works are to be executed; and
- b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

### **Category Four: Election Expenses**

4.17 If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

### **Category Five: Houses, Land and Buildings**

4.18 I have a registrable interest where I 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 my public body.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

### **Category Six: Interest in Shares and Securities**

4.20 I have a registerable interest where:

- a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
- b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

### **Category Seven: Gifts and Hospitality**

4.21 I understand the requirements of paragraphs [3.13 to 3.21](#) regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

### **Category Eight: Non-Financial Interests**

4.22 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

### **Category Nine: Close Family Members**

4.23 I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

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## **Section 5: Declaration Of Interests**

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### **Stage 1: Connection**

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by my public body as a representative of my public body or of which I am a member by reason of, or in implementation of, a statutory provision, unless:

- a) The matter being considered by my public body is quasi-judicial or regulatory; or
- b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

### **Stage 2: Interest**

5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

### **Stage 3: Participation**

5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision-making on the matter in question unless, and until, the application is granted.

5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

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## Section 6: Lobbying And Access

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6.1 I understand that a wide range of people will seek access to me as a board member and will try to lobby me, including individuals, organisations and companies. I must distinguish between:

- a) any role I have in dealing with enquiries from the public;
- b) any community engagement where I am working with individuals and organisations to encourage their participation and involvement, and;
- c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with my public body (for example contracts/procurement).

6.2 In deciding whether, and if so how, to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to influence my, or my public body's, decision-making role.

6.3 I will not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of my public body or any statutory provision.

6.4 I will not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon my public body.

6.5 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair, Chief Executive or Standards Officer of my public body.

6.6 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will 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 I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.

6.7 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I 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 I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the [Lobbying \(Scotland\) Act 2016](#).

6.8 I will not accept any paid work:

- a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.
- b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence my public body and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of my public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

## **Annex A: Breaches Of The Code**

### **Introduction**

1. [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) (“the Act”) provided for a framework to encourage and, where necessary, enforce high ethical standards in public life.
2. The Act provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies, imposing on councils and relevant public bodies a duty to help their members comply with the relevant code.
3. The Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the [Standards Commission for Scotland](#) (“Standards Commission”) and the post of [Commissioner for Ethical Standards in Public Life in Scotland](#) (“ESC”).
4. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body’s Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.
5. The first Model Code of Conduct came into force in 2002. The Code has since been reviewed and re-issued in 2014. The 2021 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act.

### **Investigation of Complaints**

6. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.
7. On conclusion of the investigation, the ESC will send a report to the Standards Commission.

### **Hearings**

8. On receipt of a report from the ESC, the Standards Commission can choose to:
  - Do nothing;
  - Direct the ESC to carry out further investigations; or
  - Hold a Hearing.
9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body’s Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make

submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

## Sanctions

10. The sanctions that can be imposed following a finding of a breach of the Code are as follows:

- **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.
- **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of the public body. Partial suspension means that the member is suspended from attending some of the meetings of the public body. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of the public body be reduced or not paid during a period of suspension.
- **Disqualification:** Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Act), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the Act.

## Interim Suspensions

11. Section 21 of the Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:

- That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
- That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found [here](#).

12. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.



## Annex B: Definitions

**“Bullying”** is inappropriate and unwelcome behaviour which is offensive and intimidating, and which makes an individual or group feel undermined, humiliated or insulted.

**"Chair"** includes Board Convener or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

**“Code”** is the code of conduct for members of your devolved public body, which is based on the Model Code of Conduct for members of devolved public bodies in Scotland.

**"Cohabitee"** includes any person who is living with you in a relationship similar to that of a partner, civil partner, or spouse.

**“Confidential Information”** includes:

- any information passed on to the public body by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
- information of which the law prohibits disclosure (under statute or by the order of a Court);
- any legal advice provided to the public body; or
- any other information which would reasonably be considered a breach of confidence should it be made public.

**"Election expenses"** means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.

**“Employee”** includes individuals employed:

- directly by the public body;
- as contractors by the public body, or
- by a contractor to work on the public body’s premises.

**“Gifts”** a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.

**“Harassment”** is any unwelcome behaviour or conduct which makes someone feel offended, humiliated, intimidated, frightened and / or uncomfortable. Harassment can be experienced directly or indirectly and can occur as an isolated incident or as a course of persistent behaviour.

**“Hospitality”** includes the offer or promise of food, drink, accommodation, entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

**“Relevant Date”** Where a board member had an interest in shares at the date on which the member was appointed as a member, the relevant date is – (a) that date; and (b) the 5th April immediately following that date and in each succeeding year, where the interest is retained on that 5th April.

**“Public body”** means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

**“Remuneration”** includes any salary, wage, share of profits, fee, other monetary benefit or benefit in kind.

**“Securities”** a security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.

**“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 C

## Standards of Business Conduct for NHS Staff

This section is for all staff and all staff are required to adhere to the Standards of Business Conduct for NHS staff.

These Standards of Business Conduct for NHS Staff form part of the NHS Board's standard contract for the employment of all staff.

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### **Item 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 remain 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 Ayrshire and Arran 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.
- 1.3 Supporting Guidance on the Acceptance and Declaration of Gifts and Hospitality and Declaration of Interests, is provided at Section C1 of the Code of Corporate Governance.

### **Item 2: Principles of Conduct within NHS Ayrshire & Arran**

- 2.1 Employees are expected to:
  - ensure that the interest of patients remains 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 Ayrshire & Arran 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.

### **Item 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 there is an interest, hospitality or relevant outside employment is declared to a manager, they must record that declaration as directed in the supporting guidance and hold in the employee's personal file together with any instructions issued to the

member of staff in relation to the declaration. The required declaration forms must be approved by the Directorate approved person and provided to the Directorate named person to be recorded as part of the Board's declaration of interests and gifts. Detailed information is provided in the supporting guidance at section C1.

#### **Item 4: Private Practice**

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

#### **Item 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.

#### **Item 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 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 3.3 above.
- 6.2 Normally the relevant Head of Department should give permission and in the case of consultant medical and dental staff this should be discussed with the individual's line manager.
- 6.3 On occasions when NHS employers consider it necessary for staff advising on the purchasing of equipment to expect to see such equipment in operation in other parts of the country (or exceptionally overseas) the employer will meet the cost to avoid putting jeopardy the integrity of subsequent purchasing decisions.
- 6.4 Companies may, for example, offer to sponsor wholly or partially a post. The employer will not enter into such an arrangement unless it is made abundantly clear to the company concerned that sponsorship will have no effect on the purchasing decision within NHS Ayrshire & Arran.
- 6.5 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.

### **Item 7: Casual Gifts and Hospitality**

- 7.1 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 or calendars). If in doubt, staff must contact their line manager before acceptance. Gifts declined must also be declared.
- 7.2 Staff may accept modest hospitality provided it is normal and reasonable in the circumstances, e.g. 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. 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 3.3 above.
- 7.3 It is not necessary to declare hospitality received as part of the normal programme of a course or conference.

### **Item 8: Outside Interests and Employment**

- 8.1 Outside interests include directorships, ownerships, 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.
- 8.2 It is also possible that a conflict 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.

### **Item 9: Remedies**

- 9.1 Managers or staff who fail to comply with the guidance detailed in this Code could be subject, following full investigation, to disciplinary action up to and including dismissal. If through their actions or omissions managers or staff are found to be in contravention of this Code or, indeed, their legal responsibilities then NHS Ayrshire & Arran reserves the right to take legal action if necessary.

### **Item 10: Guidance for Staff**

- 10.1 Staff should:
- make sure that they understand the detail of this code and the supporting guidance 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 in accordance with the supporting guidance.
  - seek the permission of the appropriate line manager or executive director prior to taking on outside work if there is conflict of interests; and

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- obtain permission from their appropriate line manager or executive director before accepting commercial sponsorship.

10.2 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.

**Item 11: Distribution**

- 11.1 This Code is applicable to every NHS Ayrshire & Arran employee and therefore all staff should be aware of its content.

**Item 12: Register of Hospitality and Interests**

- 12.1 The Register of Gifts, Hospitality and Interests for staff members will be managed by the Directorate Named Person in accordance with the supporting guidance. Staff registers will be collated annually and held by the Head of Corporate Governance. The Head of Corporate Governance will hold a Register of Gifts, Hospitality and Interest for Board Members and Corporate Management Team which is available at on the NHS Ayrshire & Arran website [here](#)
- 12.2 Access to the register for all other staff will be restricted to senior officers and internal and external audit. The Register may also be the subject of Freedom of Information (FOI) requests.
- 12.3 At least annually, an officer identified by the Director of Finance will review the Register.

**Item 13: Contact Point for further guidance**

- 13.1 A copy of this code will be posted on the Board’s website and intranet and can be obtained from the Head of Corporate Governance who will provide advice and guidance on its interpretation.
- 13.2 Where appropriate, relevant sections of the Code of Corporate Governance will be included in the induction pack for staff.

**Item 14: Specific guidance**

- 15.1 Additional guidance is available on joint working between NHS Scotland and the Pharmaceutical Industry and can be found here ([A Common Understanding](#)).

**Item 15: Review process**

- 16.1 The Code will be reviewed annually or as requested by the Area Partnership Forum.





# **Section C - Annex**

## **Supporting guidance for staff on the registering of interests, gifts & hospitality under the Standards of Business Conduct**

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## 1.0 Introduction

This guidance supports the Standards of Business Conduct for NHS Staff.

It is important that NHS Ayrshire & Arran and its employees maintain strict ethical standards in the conduct of NHS business and are protected from allegations of conflict of interest, acting improperly or breach of impartiality.

The Standards of Business Conduct for NHS Staff states

“All NHS staff who commit NHS resources directly or indirectly must be impartial and honest in their conduct of business and all employees must remain 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.

The Standards also include responsibilities to comply with the [Bribery Act 2010](#). The Standards of Business Conduct for NHS Staff states

“The Board and all those who work in it have a duty to follow the good practice procedures set out in the Bribery Act, 2010. Specifically the Board operates a zero tolerance policy of bribery. The Bribery Act 2010 has brought further obligations on the Board and its staff.”

Staff should be aware that breach of the provisions of these Acts renders them liable to prosecution and may also lead to a potential disciplinary action and the loss of their employment and superannuation rights in the NHS.

**If you are in any doubt at all as to what you can or cannot do, you should seek advice from your Line manager/Head of Department/Director/Head of Corporate Governance.**

This guideline should be read in conjunction with the Standards of Business Conduct for NHS Staff (Section C of the NHS Ayrshire & Arran Code of Corporate Governance).

## 2.0 Purpose

This document provides guidance and instruction on acceptance of gifts and/or hospitality and declaration of interests to ensure that all NHS employees in Ayrshire and Arran are aware of their duties under the MEL and comply with the Standards of Business Conduct for NHS Staff to declare and register gifts and hospitality and any registerable interests. It also provides guidance on maintaining Registers and submission for annual review by Audit and Risk committee.

### 3.0 Scope

This guideline is applicable to all employees of NHS Ayrshire & Arran, including holders of honorary contracts, to independent contractors when they are working on behalf of NHS Ayrshire & Arran and to NHS Ayrshire & Arran employees working within the Health and Social Care Partnerships.

NHS Ayrshire & Arran Board Members and Senior Managers also have additional responsibilities under the Code of Conduct for Members of Devolved Bodies and a separate register is compiled, maintained and published for Board members' and Directors' interests.

### 4.0 Definition of Terms

Gifts	Any goods or services of value that you are offered.
Hospitality	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.
A registerable Interest	Any personal interest which may have a bearing on, or might reasonably be deemed by others to have a bearing on a staff member's impartiality in any matter relevant to his/her duties.
The Standards	Standards of Business Conduct for NHS Staff
Register	A register which records any declared interest or gift and hospitality offered and declined or accepted for staff and board members.
Undertaking	A body corporate or partnership; or an unincorporated association carrying on a trade or business with or without a view to a profit.

### 5.0 Roles & Responsibilities

**Chief Executive** is responsible as Accountable Officer to ensure a register of gifts and hospitality and register of interests is maintained.

**Directors** are responsible to ensure that a Register of gifts, hospitality and interests is maintained for staff within their department and there is a "named person" who maintains the Directorate register. Directors' annual assurance letter to the Chief Executive will include an assurance statement that the Standards of Business Conduct for NHS Staff is being applied in their Directorate and a Register maintained. The Director will provide a copy of the Registers annually to the Head of Corporate Governance.

**Directorate Named Person** will maintain the Directorate's register of gifts and hospitality and interests.

**Director of Finance** is responsible for the monitoring and scrutiny of the register and will be vigilant for perceived conflicts of interest.

**Audit and Risk Committee** will receive assurance from the Head of Corporate Governance annually that registers have been reviewed and are available for internal and external auditors.

**Head of Corporate Governance** is responsible for establishment of a process to deliver the Register(s) and that this is communicated to the organisation. The Head of Corporate Governance will review Directorate registers annually and provide assurance to the Audit and Risk committee.

**Managers** must adhere to this guidance and ensure that their staff are aware of and comply with The Standards. Managers must approve declarations of interest, gifts and hospitality in accordance with this guideline

**All employees** of NHS Ayrshire & Arran have a personal responsibility to declare any gifts and/or hospitality offered or accepted and declare any registerable. It is the responsibility of staff to ensure that they do not place themselves in a position which risks or appears to risk conflict between their private interests or behaviour and the correct performance of their NHS duties. This primary responsibility applies to all NHS staff.

## 6.0 Acceptance of Gifts

Staff in the NHS offer support during significant events in people's lives. For this work they may sometimes receive gifts as a legitimate expression of gratitude. We should be proud that our services are so valued. But situations where the acceptance of gifts could give rise to conflicts of interest should be avoided. Staff and organisations should be mindful that even gifts of a small value may give rise to perceptions of impropriety and might influence behaviour if not handled in an appropriate way.

Employees of NHS Ayrshire & Arran must not accept gifts which may be, or be 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.

The acceptance of cash or cash equivalents, including gift vouchers of any value is not acceptable under any circumstances. If you are offered a cash gift or gift vouchers, these must be politely but firmly declined. Where there is an offer to clinical or ward staff, those offering the gift should be directed towards the ward/area endowment fund or the Board's endowment fund, [Ayrshire and Arran Health Board Charity](#), where financial donations can be received.

Casual gifts offered by contractors or others must also be politely declined except where they are deemed to be of low intrinsic value (below £15). MEL(1994)48 notes that staff may accept such gifts of low intrinsic value, such as diaries or calendars or small tokens of gratitude from patients or their relatives. Gifts offered but declined must also be declared if the value is deemed to be above £15.

A common sense approach should be applied to the valuing of gifts (using an actual amount, if known, or an estimate that a reasonable person would make as to its value) Staff must never ask for gifts. Where it is difficult to decide whether a gift should be accepted or not, advice should be sought from your Line Manager or respective executive Director. Appendix 7 provides Directorate authorisers for Declaration Forms as contacts for advice.

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A “quick guide” to acceptance of Gifts is provided below:

<b>Gifts</b>	<b>Acceptable</b>	<b>Approval of line manager required</b>	<b>Declarable</b>
Low value promotional gifts such as Diaries/Calendars under £15	Yes*	No	No
Token gifts given at a courtesy visit/VIP visit	Yes*	No	Yes
Biscuits, chocolates, flowers from patients or relatives/ friends of patients	Yes*	No	Only if considered greater than £15 in value
Gifts to friends / relatives of NHS Ayrshire & Arran staff	No – to be declined**	Should be declined	Yes, regardless of value
Casual gifts offered by contractors and/or potential suppliers under £15	Yes*	Yes	Yes
Gifts/equipment offered by contractors/potential suppliers over £15, including concert / sporting event tickets	No – to be declined**	Should be declined	Yes
Other promotional gifts	In some situations	Yes	Yes
Gifts of cash or gift vouchers (any amount) Persons offering cash should be advised of the existence of the local ward/team Endowment Fund or the Ayrshire and Arran Health Board Charity as an alternative means of donating	No – to be declined**	Should be declined	Yes, regardless of value
* Acceptable only where the gift does not create a sense of obligation or constitute an incentive or bribe.			
** Where it is felt that declining the gift will cause offence, seek advice from your line manager on how best to handle receipt of the gift - for example by submitting it to a team endowment fund or raffling the gift with subsequent donation to a team endowment fund or the Ayrshire and Arran Health Board Charity. Under such circumstances the fear of causing offence should not create a conflict of interest for the recipient.			

## 7.0 Acceptance of Hospitality

Delivery of services across the NHS relies on working with a wide range of partners (including industry and academia) in different places and, sometimes, outside of ‘traditional’ working hours. As a result, staff will sometimes appropriately receive hospitality. Staff receiving hospitality should always be prepared to justify why it has been accepted, and be mindful that even hospitality of a small value may give rise to perceptions of impropriety and might influence behaviour

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. The Standards provides that modest hospitality is an accepted courtesy of a business relationship. 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 Ayrshire & Arran would be likely to provide in return.

Staff may accept modest hospitality provided it is normal and reasonable under the circumstances, for example a lunch or refreshments provided in the course of a working visit, meeting conference etc. It is not necessary to report the provision of team / coffee / biscuits etc or to declare modest hospitality received as part of the normal programme of a course of conference.

In reference to meals and refreshments:

- If under a value of £25, may be accepted and does not need to be declared, unless from a pharmaceutical company when it must be declared.
- If of a value between £25 and £75<sup>1</sup>, may be accepted and must be declared.
- If over a value of £75, should be refused unless (in exceptional circumstances) senior approval is given. A clear reason should be recorded on the Register of Interest return as to why it was permissible to accept.

A common sense approach should be applied to the valuing of meals and refreshments (using an actual amount, if known, or an estimate that a reasonable person would make as to its value).

In reference to travel and accommodation:

- Modest offers to pay some or all of the travel and accommodation costs related to staff attendance at events may be accepted and must be declared.
- Offers which go beyond modest, or are of a type that the organisation itself might not usually offer, need prior approval by senior staff, should only be accepted in exceptional circumstances, and must be declared. A clear reason should be recorded on the Register of Interest return as to why it was permissible to accept. travel and accommodation of this type. A non-exhaustive list of such examples includes:

of \_\_\_\_\_

<sup>1</sup> The £75 value has been selected with reference to existing industry guidance issued by the Association of the British Pharmaceutical Industry [Clause 10.7 Events/Meetings and Hospitality](#)

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- offers of business class or first-class travel and accommodation (including domestic travel);
- offers of foreign travel and accommodation.

Staff should not ask for or accept hospitality that may affect, or be seen to affect, their professional judgement. Hospitality must only be accepted when there is a legitimate business reason and it is proportionate to the nature and purpose of the event.

Particular caution should be exercised when hospitality is offered by actual or potential suppliers or contractors or commercial sponsors/third parties – these can be accepted if modest and reasonable but only where acceptance will not and cannot be seen as compromising a purchasing or other decision in any way, individuals should always obtain senior approval and must declare these.

**Commercial sponsorship** - Employees must pay particular attention to the circumstances in which hospitality is offered. For example, the provision of hospitality by an individual or organisation during a tendering process, where a contract is shortly to end, 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 Ayrshire & Arran, is not acceptable.

Where it is difficult to decide whether hospitality offered should be accepted or not, advice should be sought from your Line Manager or respective executive Director.

A “quick guide” to acceptance of hospitality is provided below

Hospitality	Acceptable	Approval of line manager required	Declarable
Meals and refreshments offered as part of attendance at a course/conference	Yes	No	Only if considered greater than £25 in value
Infrequent working breakfast	Yes*	No	Only if considered greater than £25 in value
Infrequent working lunch	Yes*	No	Only if considered greater than £25 in value
Formal dinners/evenings	In some situations	Yes	Yes
Travel & accommodation (if modest in nature)	In some situations	Yes	Yes
Visits to view equipment paid for by outside companies	In some situations	Yes	Yes



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Hospitality	Acceptable	Approval of line manager required	Declarable
Other forms of commercial sponsorship including drug company sponsorship for example to attend a conference, study leave	In some situations	Yes	Yes
Holiday accommodation	No – to be declined**	Should be declined	Yes
Invitations to sporting or cultural events	No – to be declined***	Should be declined	Yes
* Acceptable only where the gift does not create a sense of obligation or constitute an incentive or bribe.			
** Where it is felt that declining the offer of hospitality will cause offence, approval should be sought on how best to handle the offer. Under such circumstances, the fear of causing offence should not create a conflict of interest for the recipient.			
*** Acceptable only where attendance is to represent Ayrshire and Arran NHS Board in an official capacity, for instance at a civic, ceremonial or memorial event, where prior approval has been granted by an executive Director.			

## 8.0 How to declare gifts and hospitality – a step by step guide

Step 1: If offered a gift or hospitality decide whether to accept or decline based on this guidance.

Step 2: If you remain unsure whether you can accept a gift or if this needs declared, discuss with your Line Manager in the first instance. If further advice is required contact your relevant Executive Director or the Head of Corporate Governance.

Step 3: Consider if the gift or hospitality is linked to Joint Working with a Pharmaceutical Company or something else. Refer to section 11.0 Guidelines on working with the Pharmaceutical industry.

Step 4: If you have accepted or declined a gift or hospitality, which is declarable under this guideline, complete the appropriate form.  
Appendix 3 for those linked to Joint Working with Pharmaceutical companies or Appendix 4 for all other gifts/hospitality. These forms are also available on the Intranet

Step 5: Pass the completed form to your Declaration Form Authoriser for approval. See Appendix 7.

Step 6: Once approved, pass the form to either the Pharmacy Directorate or your Directorate Named person. See Appendix 7.

Notes:

1. Declarations should be made as soon as is practically possible and no later than one month following receipt.
2. One form should be submitted per employee, for example if a gift is received for three members of staff, a separate form should be completed by each of the three employees and authorised by their Declaration Form Authoriser, before submission to the Pharmacy Directorate or Directorate Named Person to update the Directorate Register.

Appendix 1 provides a flow chart for declaring and recording gifts or hospitality, whether accepted or declined.

## 9.0 Declaration of staff interests

To avoid conflicts of interest and to maintain openness and accountability, employees are required to register all interests that may have any relevance to their NHS Ayrshire & Arran duties and responsibilities. These include any financial interest in a business or any other activity or pursuit that may compete for an NHS contract to supply either goods or services to the NHS or in any other way could be perceived to conflict with the interests of the Ayrshire and Arran NHS Board.

This primary responsibility applies to all NHS staff, but is of particular relevance to those who commit NHS resources directly (e.g. by the ordering of goods) or those who do so indirectly (e.g. by the prescribing of medicines). A further example would be staff who may have an interest in a private nursing home and who are involved with the discharge of patients to residential facilities

### 9.1 When to register an Interest

The test to be applied when considering appropriateness of registration of an interest is to ask yourself whether a member of the public acting reasonably might consider the interest you have could potentially affect your responsibilities to the organisation and/or influence your actions. If in doubt if you should register an interest, advice should be sought from your Line Manager or respective executive Director.

### 9.2 What needs to be declared

Interests that may be appropriate to register include

1. Other paid employments. The amount of any related remuneration does not need to be disclosed;
2. Directorships, including Non-Executive Directorships, held in private companies or public limited companies (whether remunerated or not);
3. Ownership of, or an interest in, private companies, partnerships, businesses or consultancies that are likely to be relevance to the work of Ayrshire and Arran NHS Board;

4. Shareholdings in organisations likely or possibly seeking to do business with the NHS (the value of the shareholdings need not be declared);
5. Ownership of, or interest in, land or buildings which may be significant or relevant to the work of Ayrshire and Arran NHS Board;
6. Any position of authority held in another public body, trade union, charity or voluntary body
7. Any connection with a voluntary or other body that has a contract with NHS Ayrshire & Arran under which services or goods are to be provided (you must register a description of the nature and duration, but not the price of, of any such contract); and
8. Any involvement in joint working arrangements with Clinical (or other) Suppliers

This list above is not exhaustive and should not preclude the registration of other forms of interest where these may give rise to a potential conflict of interests upon the staff member's employment with Fife NHS Board. You may also have to register the interest of any close family members, partner or civil partner, close relative or persons living with you as part of a family unit, who have or are likely to have, transactions or business with the Board.

### 9.3 Declaring an Interest at Meetings

In addition to registering the interest, it is the responsibility of each member of staff to declare any relevant interest to the Chair of any Standing Committee / Professional Advisory Committee / decision-making group that they sit on, so that the Chair is aware of any conflict which may arise on any related agenda item. A declaration of Interest will be recorded in the minute of the respective meeting. Where a conflict is declared, the person must not participate in the meeting for that section of the agenda.

## **10.0 How to declare an interest – a step by step guide**

Step 1: Staff member identifies a potential interest or conflict based on this guidance.

Step 2: If you remain unsure discuss with your line manager in the first instance. If further advice is required contact your Executive Director or the Head of Corporate Governance.

Step 3: Consider if the interest is linked to Joint Working with a Pharmaceutical Company. Refer to section 11.0 regarding declaration of Interests in the pharmaceutical industry.

Step 4: If you have an interest or conflict to declare complete the appropriate declaration form. Appendix 3 for those linked to Joint Working with Pharmaceutical companies or Appendix 4 for all other interest/conflicts. These forms are also available on the Intranet.

Step 5: Pass the completed form to your Declaration Form Authoriser for approval.

Step 6: Once approved, pass the form to either the Pharmacy Directorate or your Directorate Named person.

Appendix 2 provides a flow chart for declaring and recording interests.

## 11.0 Guidelines on working with the Pharmaceutical industry

NHS Ayrshire & Arran has a Code of Practice for Medicines Governance. Section 23a, b and c of the Code of Practice provides policy and guidance on Joint Working with the Pharmaceutical Industry and declaration of gifts and hospitality and interests.

From June 2016, pharmaceutical companies have been required to publish details of payments they make (in cash or 'in kind') to individual healthcare professionals for services they provide. These services include sponsorship, consultancy and associated fees relating to their participation in events such as 'Pharmaceutical Advisory Boards'. Information is available through a publicly searchable database on the [Association of British Pharmaceutical Industry \(ABPI\) website](#).

NHS Ayrshire & Arran has an obligation to record all payments, donations, grants or benefits in kind received from Pharmaceutical companies on the Board's Gifts and Hospitality Register and to compare the payments with the information published on the ABPI website.

Any Gifts and Hospitality offered or accepted or any Interest related to Joint Working with the Pharmaceutical Industry must be declared in line with the Code of Practice for Medicines Governance policy and guidance (Section 23).

**Any and all staff who are offered Gifts and Hospitality, or who have an interest NOT related to the Joint Working guidelines MUST follow guidance within this document and a declaration made where appropriate.**

The Head of Corporate Governance will liaise with Pharmacy Directorate colleagues to reconcile declarations made in the Pharmacy Register against information provided by Pharmaceutical companies.

See Appendix 3 - Declaration of Interests in the Pharmaceutical Industry – useful links:

- [Section 23\(a\) – Declaration of Interests in the Pharmaceutical Industry](#)
- [Section 23\(b\) – Joint Working with the Pharmaceutical Industry](#)
- [Section 23\(c\) – Policy for Pharmaceutical Representatives](#)

## 12.0 Registers of interests, gifts and hospitality

Each Directorate will hold a Staff Register of Gifts and Hospitality and Interests for their Directorate staff.

The Pharmacy Directorate will hold Registers to record all declarations related to Joint Working with the Pharmaceutical Industry. This covers any and all staff who have a declared interest or gift or hospitality related to Joint Working with the Pharmaceutical Industry.

The Head of Corporate Governance will hold a Board Members' Register to record all declarations of interests or gifts or hospitality from Board Members and Board Directors. The register will be open to public scrutiny and is published on the organisation's website.

The Registers are maintained annually and must be finalised in line with the financial year to 31 March. Directorate Registers must be completed and a copy sent to the Head of Corporate Governance as soon as possible following year end. The Head of Corporate Governance must finalise the Board Members' Register in April each year and send a copy to Finance for annual accounts reporting and sharing with the external auditor.

The completed Registers will be reviewed annually by the Head of Corporate Governance, as the officer identified by the Director of Finance and agreed by the Audit and Risk Committee. The review will give the opportunity to identify trends and challenge unwanted behaviours. The Head of Corporate Governance will submit an assurance paper to Audit and Risk Committee annually following this review. The timescales for submission to Audit and Risk Committee will be agreed in line with the Audit and Risk Committee meeting schedule.

Access to the Staff Registers will be restricted to senior officers and internal and external audit. All Registers may also be subject to Freedom of Information (FOI) requests.

An example register is shown at Appendix 5.

#### Reminders and frequency

The Named Person for each Directorate should will issue regular reminders to their Directorate at least twice a year to remind all staff of the need to declare gifts, hospitality and interests in line with The Standard and this guideline, so that changes can be recorded on the Directorate Register.

#### Targeted groups

Directors have identified higher risk teams within their Directorates as noted in Appendix 7. Staff within these groups must be issued with an individual register for completion on joining the organisation, this must include Nil returns where this is the case. Staff must be asked to review and sign their individual register on an annual basis.

Directorate Named Persons are responsible to manage this process and will issue individual registers. Targeted reminders will be issued in line with the twice-yearly reminders to all staff.

### **13.0 Corporate records management for declaration forms and registers**

Those responsible for maintaining Directorate registers must retain related Corporate Records in line with national retention periods – this is 6 years after an interest was registered.

- All approved Declaration forms received, so that these can be compared against the Registers held.
- All Individual Staff and Directorate Registers

Board Members' registers are held in accordance with the Code of Conduct for Ayrshire & Arran Board members

## 14.0 Related Documents

- (a) [NHS Ayrshire & Arran Code of Corporate Governance](#)
- (b) [NHS Circular MEL \(1994\) 48](#): Standards of Business Conduct for NHS Staff
- (c) [NHS Circular MEL \(1994\) 80](#): Supplementary guidance
- (d) [The Bribery Act 2010](#)
- (e) [Code of Practice of Medicines Governance](#)

## 15.0 Appendices

Appendix 1 - Gifts and Hospitality Flow chart

Appendix 2 - Interests Flow Chart

Appendix 3 - Joint Working with Pharmaceuticals – declaring an interest or gift/hospitality

Appendix 4 - Form for Staff Declaration for Gift/Hospitality or Interest

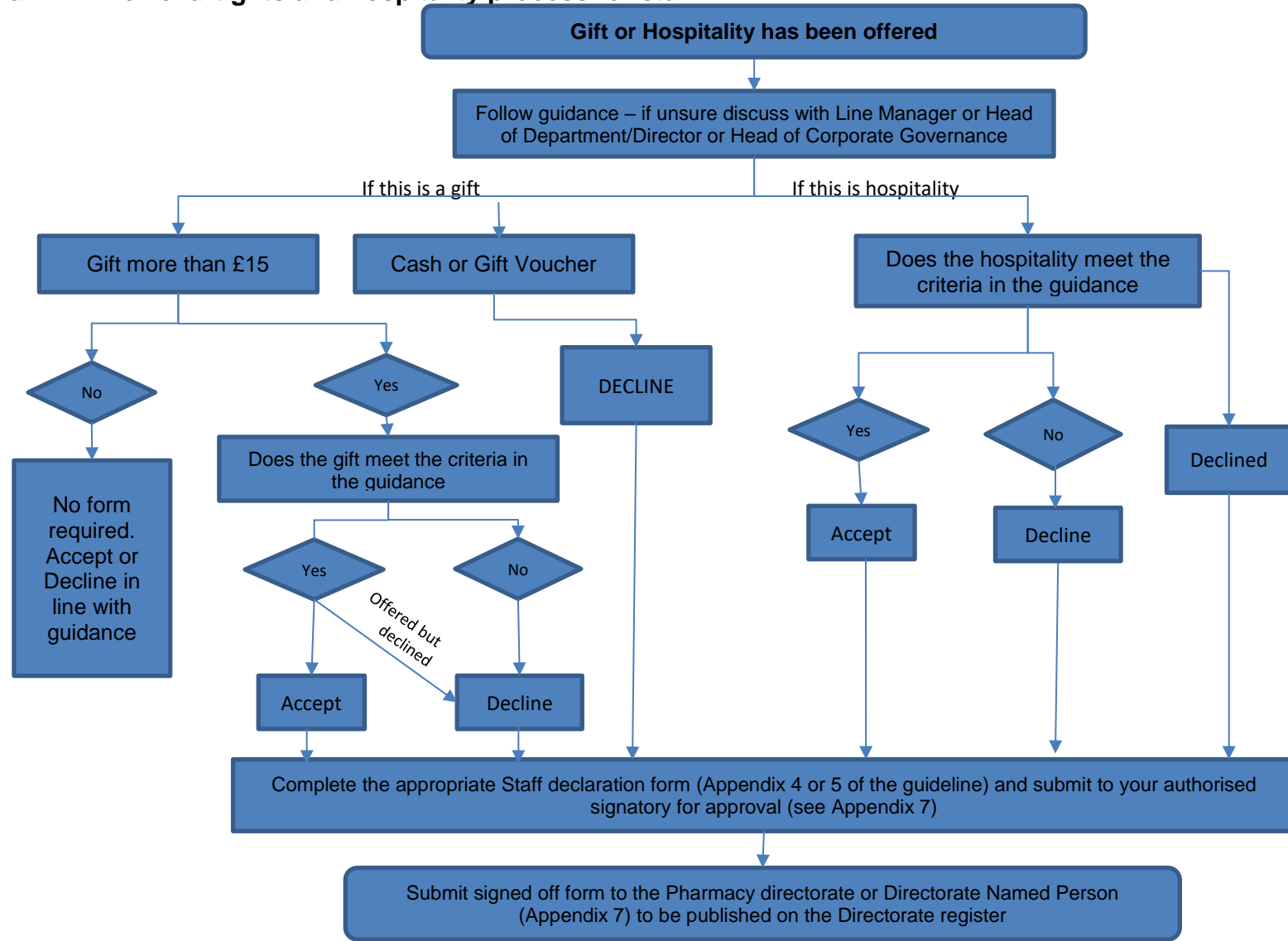
Appendix 5 - Example of Directorate register

Appendix 6 - Example of Individual register

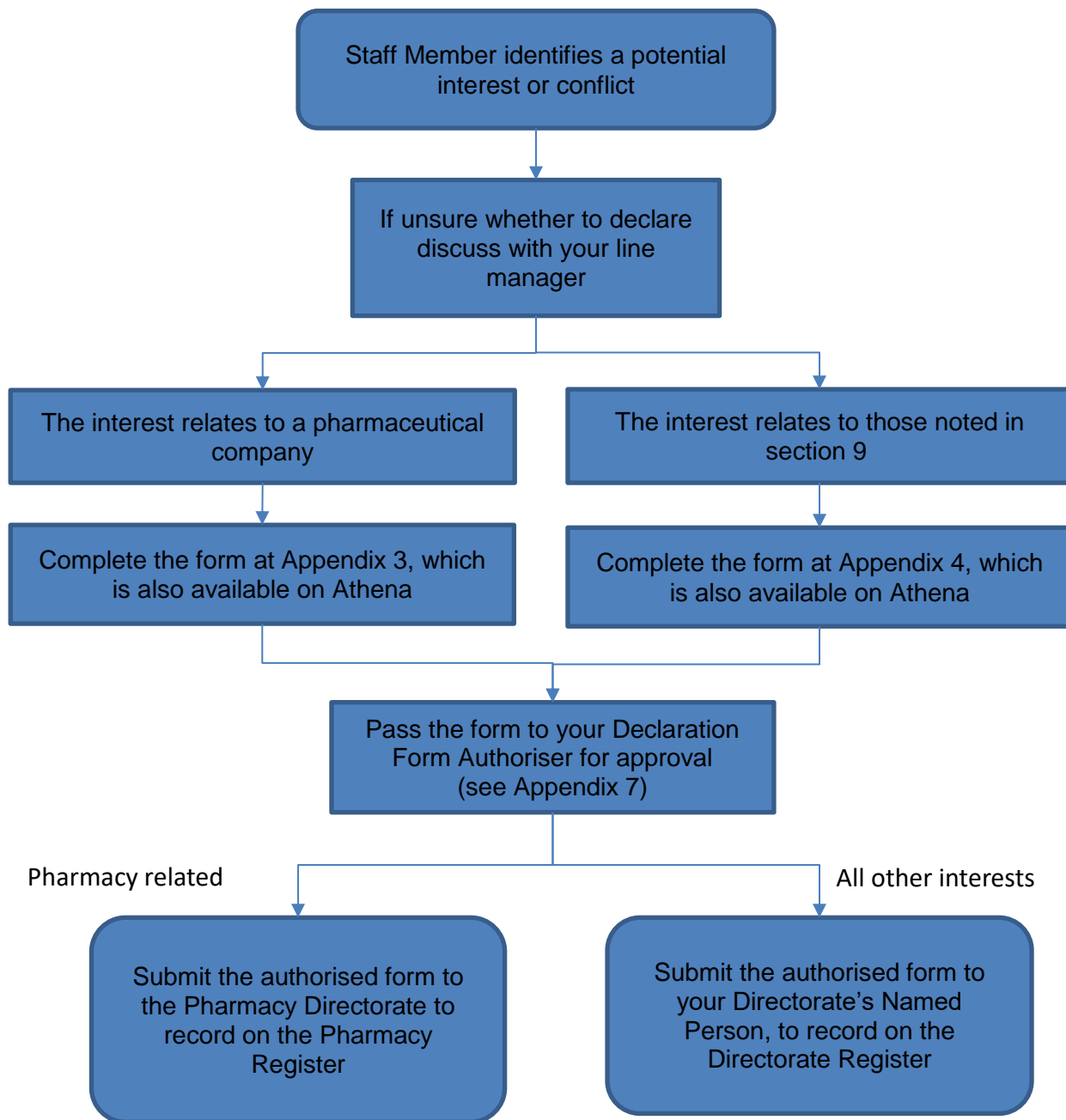
Appendix 7 - Directorate Authorisers, Named Persons and Targeted Groups

Code of Corporate Governance – Section C annex  
Supporting guidance for staff on the registering of interests, gifts & hospitality

**Appendix 1 – Flowchart gifts and hospitality process for staff**



**Appendix 2 – Flowchart - declaring an interest process for staff**





### **Appendix 3 - Declaration of Interests in the Pharmaceutical Industry**

Guidance on Joint working with the Pharmaceutical Industry and declaration forms are held on AthenA and managed by the Pharmacy Directorate.

NHS Ayrshire & Arran Code of Practice for Medicines Governance  
Available on Athena at <http://athena/adtc/Pages/COP.aspx>

- **[Section 23\(a\) – Declaration of Interests in the Pharmaceutical Industry](#)**
  - [Appendix 1 – Form - Register of Interests Form for use by ADTC and its subgroups](#)
  
- **[Section 23\(b\) – Joint Working with the Pharmaceutical Industry](#)**
  - [Appendix 1 – Model Framework for Joint Working with Clinical Suppliers - Guidance Notes on use of the framework](#)
  - [Appendix 2 – Registration Form](#)
  
- **[Section 23\(c\) – Policy for Pharmaceutical Representatives](#)**

**Appendix 4 - Declaration Form for registering Staff interests, Gifts and/or Hospitality**

Full Name:	
Job title:	
Department / Directorate:	

I wish to declare the following (\* - Please delete as appropriate)

<b>Declared item</b>	<b>Description</b> (please provide all relevant details that will allow assessment of whether or not the declared item could have a bearing on a specific matter)
<p><b>Offer of Gift and/or Hospitality</b> (Details of gift/hospitality and the donor)</p> <p>Date Offered: .....</p> <p>Estimated Value: £.....</p> <p>I have accepted this offer Y/N*</p> <p>I have notified my Line Manager and been given approval Y / N*</p>	
<b>Interests</b>	
<p>1. Remuneration: Other employments. The amount of any related remuneration does not need to be disclosed</p>	
<p>2. Related undertaking - Directorships, including Non-Executive Directorships, held in private companies or public limited companies (whether remunerated or not); - Ownership of, or an interest in, private companies, partnerships, businesses or consultancies that are likely to be relevance to the work of the Board.</p>	
<p>3. Contracts Any connection with a voluntary or other body that has a contract with NHS Ayrshire &amp; Arran under which services or goods are to be provided (you must register a description of the nature and duration, but not the price of, of any such contract);</p>	

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4. Houses, land or buildings Ownership of, or interest in, land or buildings which may be significant or relevant to the work of Ayrshire and Arran NHS Board;	
5. Shares and securities Shareholdings in organisations likely or possibly seeking to do business with the NHS (the value of the shareholdings need not be declared);	
6. Gifts and hospitality	<b>See above</b>
7. Non-financial interests Any connection with a voluntary or other body that has a connection to the work of Ayrshire and Arran NHS Board	
8. Any involvement in joint working arrangements with Clinical (or other) Supplier	

<b>Recipient Declaration:</b> The Bribery Act 2010 makes it a criminal offence to request, agree to receive or to accept a bribe. In making this declaration you are confirming compliance with the NHS Ayrshire & Arran Standards of Business Conduct for NHS staff and associated guideline.	
Staff member signature	Date:

**Form Authoriser**

Name of approver (please print):	
Job Title:	
Signature:	Date
Any additional comments below:	

**For Office Use only – Directorate register updated:**

Name (please print):	
Job Title:	
Date added to register:	

**Appendix 5 – Example of Staff Register for interests, gifts and/or hospitality**

**NHS Ayrshire & Arran  
 Register of Interests and Gifts and Hospitality – 1 April ## to 31 March ##**

**Directorate: Acute, Corporate Support Services, Public Health etc**

Name	Designation	Department	Date	Accepted (Yes/No)	Description of Gift, Hospitality or Interest Declared – include Category
Eg. John Smith	Consultant Anaesthetist	Acute	12/08/2019	NA	2 - Consulting agreement for Training and Education in the field of ?? surgery – add name of company
Eg. Mike Donnat	Estates officer	Estates	07/07/2019	Yes	6 – Evening dinner as guest of W Greig Builders at end of building contract.

**Appendix 6 – Example of Individual Register**

**NHS Ayrshire & Arran  
Register of Interests and Gifts and Hospitality – 1 April ## to 31 March ##**

**Name:**

**Job Title:**

**1. Remunerated interests**

Name of public body, company, charity, voluntary organisation or professional body:	Nature of the organisation	Your role within the organisation	Regularity of the work (IF trade/ profession or vocational work)	Do you receive any allowances in relation to your role? (Yes/No)

**2. Related undertakings**

Name of public body, company, charity, voluntary organisation or professional body:	Name of subsidiary, parent company or other undertaking	Nature of the business	Relationship to the company or other undertaking of which you are a director and receive remuneration.

**3. Contracts**

Name of public body, company, charity, voluntary organisation or professional body:	Description of the contract your firm or undertaking has made with the NHS.	Duration of the contract.

**4. Houses, land and buildings**

Details of houses, land and buildings that you own or have a right or other interest in which may be of relevance to the work and operation of NHS Ayrshire & Arran.

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**5. Shares and securities**

Details of interests in shares which constitute a holding in a company or organisation which may be of relevance to the work and operation of NHS Ayrshire & Arran.

**6. Gifts and hospitality**

Date Gift or Hospitality Offered	Description of Gift or Hospitality Offered	Organisation Offering Gift or Hospitality

**7. Non-Financial interests**

Name of public body, company, charity, voluntary organisation or professional body:	Nature of the organisation.	Your role within the organisation.

**8. Joint working**

Describe any involvement in joint working arrangements with Clinical (or other) Supplier

**Certification:** I certify that the above information is correct and accurate to the best of my knowledge and is existing information.

**Print Name:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**Appendix 7 – Directorate Declaration Authoriser, Named Person for Register, Targeted Groups**

Directorate	Declaration Form Authoriser	Named person	Targeted groups – section 12 refers
Acute	Your line/service manager from the list below: <ul style="list-style-type: none"> <li>- Site Directors, UHA and UHC</li> <li>- General Managers at UHA and UHC and AMU</li> <li>- Head of Health Records</li> <li>- Associate Medical Directors UHA and UHC and AMU</li> <li>- Associate Nurse Director</li> </ul>	Personal Assistant to Director for Acute Services	Nil
Infrastructure and Support Services	Line Managers	Admin Service Lead / Personal Assistant to Director of Infrastructure and Support Services	Nil
Finance	Assistant Directors of Finance	Executive Assistant to Director of Finance	Nil
Medical Directorate	Medical Director	Office Manager, Medical Director's Team	Directors Heads of Service
Nurse Directorate	Deputy Nurse Director Director Allied Health Professionals Associate Nurse Director – Care Homes Associate Nurse Director IPCT (currently interim) Chief Nurse Public Protection	Nurse Director Business Manager	Nil
OHRD	Assistant Directors Assistant HR Director, Central Employment Services; Assistant HR Director, Development; Assistant HR Director, People Services; Assistant Director, Health, Safety & Risk Management.	Executive Assistant to HR Director	Nil
Pharmacy	Band 8b pharmacist and above for all pharmacy staff Band 6 technician and above for technical staff, pharmacy support workers and admin & clerical staff.	Team Based Pharmacy Department Secretary UHC Pharmacy Department Secretary UHA Pharmacy Department Secretary Eglinton House	Pharmacy staff and members of ADTC and subgroups Already in place through Pharmacy

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<b>Directorate</b>	<b>Declaration Form Authoriser</b>	<b>Named person</b>	<b>Targeted groups – section 12 refers</b>
Public Health	Director of Public Health	Executive Assistant to Director of Public Health/Head of Admin Services	Nil
Transformation & Sustainability	Director for Transformation and Sustainability)	Transformation and Sustainability Business Manager	Nil
East Ayrshire Health and Social Care Partnership (NHS staff only)	Senior Manager	Secretary to Director of East Ayrshire Health and Social Care Partnership	Primary Care Contracting & Support Team
North Ayrshire Health and Social Care Partnership (NHS staff only)	Senior Manager and Principal Manager/Head of Service	Administrative Officer, North Ayrshire Health and Social Care Partnership	Nil
South Ayrshire Health and Social Care Partnership (NHS staff only)	Senior Manager	Senior Manager Planning and Performance, South Ayrshire Health and Social Care Partnership	Nil





# Section D

## Counter Fraud Policy

This section deals with how staff must deal with suspected fraud and NHS Ayrshire & Arran's intended response to a reported suspicion of fraud.

## Contents

**Item 1: Counter Fraud Policy**

1. Introduction
2. Public Service Values
3. Board Policy and Public Interest Disclosure Act
4. Roles and Responsibilities

**Item 2: Response Plan**

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3. Investigations
4. Disciplinary/Dismissal Procedures
5. Disclosure of Loss from Fraud
6. Police involvement
7. The Law and its Remedies

**Annexes: Annex 1**

Further Guidance on Fraud

## Item 1: Counter Fraud Policy

### 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 and procedures against fraud/theft and other illegal acts involving corruption, dishonesty or damage to 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 Ayrshire & Arran, suppliers/contractors or any third party. This document sets out the Board's policy and response plan for 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 definition is given for guidance:
  - Theft is removing property belonging to NHS Ayrshire & Arran, its staff or 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 has procedures in place, which reduce the likelihood of fraud/theft occurring. These include standing orders, standing financial instructions, accounting procedures, financial and procurement operating procedures, a system of internal control, a system of risk assessment and an annual fraud prevention plan. The Board has a post payment verification system on Family Health Service expenditure involving review in conjunction with Practitioner Services Division.
- 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 may give rise to error or fraud.
- 1.6 The contents of the Policy have been set out as follows:
- 1.7 Section 2 sets out the Public Service Values that must underpin the activities and culture of the Board.
- 1.8 Section 3 sets out the Board's policy on dealing with fraud.
- 1.9 Section 4 sets out the roles and responsibilities of Board's officers.

- 1.10 Section 5 is the response plan that officers will follow where a fraud is reported.
- 1.11 Finally, Section 6 advises on the pursuit of legal remedies including options for recovery of any sums.
- 1.12 Appendix 1 gives sources of further guidance on fraud.

## **2. Public Service Values**

2.1 Corporate Governance is the term used to describe the Board's overall control system. It details how we direct and control our functions. The system should reflect the principles of good governance summarised below:

- focus on purpose and outcome
- clear functions and roles for the organisation and board members
- values of integrity, trust, openness, equality and diversity
- informed, transparent decision making and managing risk
- developing the capacity and capability of the organization
- engaging stakeholders and making accountability real.

2.2 All those who work in the organisation should be aware of, and act in accordance with, the above principles. 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. Board Policy and Public Interest Disclosure Act**

3.1 The Board is committed to maintaining an honest, open and well intentioned atmosphere within the service. It is committed to the deterring, detection and investigation of any fraud within NHS Ayrshire & Arran.

3.2 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 reasonably held suspicions. For these purposes "reasonably held suspicions" shall mean any suspicions other than those which are groundless and/or raised maliciously.

3.3 In addition, the Public Interest Disclosure Act protects staff who legitimately report suspected fraud by employers or colleagues. The disclosure must be made in good faith and staff 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.

3.4 Staff who suspect improper practices or criminal offences are occurring must report these to their Head of Department in writing. If the suspected improper practice involves that Head of Department the report should be made to a more senior officer or the nominated officer as described in 5.2.1 below. Managers receiving notice of such offences must report them to the Fraud Liaison Officer.

3.5 Confidentiality must be maintained relating to the source of such reports.

#### **4. Roles and Responsibilities**

- 4.1 Responsibility for receiving information relating to suspected frauds has been delegated to the Fraud Liaison Officer. They shall also be responsible for informing third parties such as NHS Counter Fraud Services, Internal and External Audit. The Director of Finance shall inform and consult with the Chief Executive, the Board Chair and the Chair of the Audit and Risk Committee in cases where the loss may be above the delegated limit or where the incident may lead to adverse publicity.
- 4.2 Where a fraud is suspected within the service, including the Family Health Services i.e. independent contractors providing Medical, Dental, Ophthalmic or Pharmaceutical Services, the Fraud Liaison Officer will make an initial assessment and, where appropriate, advise Counter Fraud Services (CFS) at NHS National Services Scotland.
- 4.3 The Human Resource Director shall advise those involved in the investigation in matters of employment law and in other procedural matters, such as disciplinary and complaints procedures.
- 4.4 Where the incident is thought to be subject to either local or national controversy and publicity then the Board and the Scottish Government Health and Social Care Directorates should be notified before the information is subjected to publicity.
- 4.5 It is the responsibility of the Board's senior officers to ensure that their staff are aware of the above requirements and that appropriate reporting arrangements are implemented.
- 4.6 It is the responsibility of all staff to protect the assets of the Board. Assets include information and goodwill as well as property.
- 4.7 It shall be necessary to categorise the irregularity prior to determining the appropriate course of action. Two main categories exist:
- Theft, burglary and isolated opportunist offences; following discussion with the Fraud Liaison Officer, the relevant operational manager should report this to the local police. Any losses occasioned as a result of these should be included on a Losses and Compensation Form submitted to the Finance Department. Where theft or loss of drugs are involved additional procedures are in place as indicated by the Board's policy on misappropriation of medicine which is included as part of Appendix 1 to this document.
  - Fraud, corruption and other financial irregularities.
- 4.8 The former will be dealt with directly by the Police whilst the latter will be reported to NHS Counter Fraud Services by the Fraud Liaison Officer.

#### **Item 2: Response Plan**

##### **1. Introduction**

- 1.1 The following sections describe the Board's procedures when responding to a reported suspicion of fraud/theft. It is intended to provide guidance, which allow for

evidence gathering and collation in a manner that will facilitate informed initial decision, while ensuring that evidence gathered will be admissible in any future criminal or civil action. Each situation is different; therefore the guidance will need to be considered carefully in relation to the actual circumstances of each case before action is taken.

- 1.2 Under no circumstances should a member of staff speak or write to representatives of the press, TV, radio or to another third party about a suspected fraud/theft without the express authority of the Chief Executive. Care must be taken that nothing is done which could give rise to an action for slander or libel.

## **2. Reporting Fraud**

- 2.1 A “nominated officer” will be appointed as the main point of contact for the reporting of any suspicion of fraud, theft or corruption. For NHS Ayrshire & Arran this officer shall be the Fraud Liaison Officer. In the absence of the Fraud Liaison Officer, the Deputy Fraud Liaison Officer would act as nominated officer, contact details for the above officers can be found on the Board’s Intranet “Athena” under Finance/Counter Fraud. For incidents involving any Executive Directors the nominated officer shall be the NHS Board Chair.
- 2.2 The nominated officers shall be trained in the handling of concerns raised by staff. Any requests for anonymity shall be accepted and should not prejudice the investigation of any allegations. Confidentiality should be observed at all times.
- 2.3 All reported suspicions must be investigated as a matter of priority to prevent any further potential loss to the Board.
- 2.4 The nominated officer shall maintain a log of any reported suspicions. The log will document with reasons the decision to take further action or to take no further action. The log will also detail any actions taken and conclusions reached. This log will be subject to review by Internal Audit.
- 2.5 The nominated officer should consider the need to inform the Board, Chief Internal Auditor, External Audit, the Police and/or Counter Fraud Services of the reported incident. In doing so, they should take cognisance of the following guidance:
- Inform and consult the Director of Finance and the Chief Executive at the first opportunity in all cases where the loss may exceed the delegated limit (or such lower limit as the Board may determine) or where the incident may lead to adverse publicity.
  - The nominated officer shall prepare a quarterly report to the Audit and Risk Committee broadly outlining the nature of new cases of fraud/suspected fraud and the progress in concluding previously reported cases.
  - Counter Fraud Services should be informed immediately of all suspected frauds by the nominated officer i.e., Fraud Liaison Officer or Deputy.
  - Counter Fraud Services will assess the nature of matters referred to them and advise Boards on how they propose to proceed. Where they consider a

criminal offence has occurred, they will ask the Board to convene a meeting of CFS, Fraud Liaison Officer, Organisational and Human Resources, department manager and a senior manager from the department concerned. This meeting will establish the Board's team to oversee the investigation and identify the investigator from Counter Fraud Services and his line manager. The investigation will be carried out by CFS personnel. It should be noted that NHS Counter Fraud Services are the specialist reporting agency for the reporting of all fraud within NHS Scotland to the Procurator Fiscal's office who carry out criminal prosecutions.

**Within NHS Scotland bodies, Counter Fraud Services and its senior managers are the only officers who can authorise covert surveillance under the Regulation of Investigatory Powers (Scotland) Act 2000.**

2.6 It remains the responsibility of Board senior managers, in conjunction with the relevant HR manager to decide on action concerning the suspension of any employee(s) suspected of fraud. Such decisions must be taken on a case by case basis taking into account the desire of CFS to obtain evidence of the suspected fraud and launch a successful criminal prosecution, the extent of any continuing loss to the Board and any potential impact on patient care. Where the suspected fraudulent actions of an employee pose a risk to patients this consideration must be the paramount factor in any decision on leaving the employee in post.

### **3. Investigations**

3.1 Where Counter Fraud Services advise that they do not consider the matter referred to them constitutes a criminal offence for which sufficient evidence could be obtained, the matter will revert to Board management for action. This action will be determined in accordance with the Board's Management of Employee Conduct Policy.

3.2 Where Counter Fraud Services take on a referral they will carry out an investigation using appropriate techniques and produce a report outlining their conclusions and recommendations for action. This will be passed to appropriate management to produce a management response and this will be included in the final report. Where the CFS investigation indicates a criminal offence has occurred this will be reported to the appropriate Procurator Fiscal for consideration of criminal prosecution.

3.3 Counter Fraud Services will keep the Board's nominated officer informed of the progress and outcome of any court cases based on referrals for fraud in the Board's area.

3.4 Even if the evidence of the suspected fraud is not sufficient for the Procurator Fiscal to commence or secure a criminal conviction which requires evidence "beyond all reasonable doubt" it may still be sufficient to justify an internal disciplinary hearing for gross misconduct or a civil recovery for losses sustained. If this is the case this is likely to be one of the recommendations in the CFS report and where this is recommended the evidence gathered by CFS will be made available to support the Board's case.

- 3.5 Where recovery of a loss to the Board, arising from any act (criminal or non-criminal) is likely to require a civil action, it will be necessary to seek legal advice through the Central Legal Office, which provides legal advice and services to NHS Scotland.
- 3.6 The conduct of internal disciplinary action will be assigned or delegated to the Director of People Organisational Development or her delegated senior officers who shall gather such evidence as necessary to present to a Disciplinary Hearing.

#### **4. Disciplinary/Dismissal Procedures**

- 4.1 The employee(s), who is/are the subject of any investigation, should be suspended pending the results of any investigation. This should be carried out in line with the Board's Employee Conduct Policy.
- 4.2 The disciplinary procedures of the Board have to be followed in any disciplinary action taken by the Board toward an employee (including dismissal).
- 4.3 Where the fraud involves a Family Health Services Practitioner the Board should consider reporting the matter to the relevant professional body for action.

#### **5. Disclosure of Loss from Fraud**

- 5.1 Guidance on the referring of losses and special payments is provided in CEL10 (2010). A copy of the Fraud report in an appropriate format must be submitted to the Scottish Government Health and Social Care Directorates. External Audit should be notified of any loss as part of their statutory duties. The Register of Losses and condemnations submitted annually to the Audit and Risk Committee will include any loss with appropriate description.
- 5.2 Management must take account of the permitted limits on writing off losses, as outlined in circular CEL10 (2010).

#### **6. Police Involvement**

- 6.1 It shall normally be the policy of the Board that wherever a criminal act is suspected the matter will be notified to the Police. For suspected thefts this will be done by operational managers following discussion with the Board's Fraud Liaison Officer. For suspected frauds or corruption reported to CFS it will be their responsibility to notify the police, if required, to progress their investigation e.g. to execute a search warrant or if it becomes apparent that the investigation require Police involvement.

#### **7. The Law and its Remedies**

##### **7.1 Criminal Law**

The Board shall refer all incidences of suspected fraud to the NHS Counter Fraud Services for consideration as to whether an investigation by their officers could gather sufficient evidence to allow the Procurator Fiscal to raise a criminal case through the courts.



7.2 Civil Law

The Board shall refer all incidences of loss through proven fraud/criminal act to the CLO for opinion, as to potential recovery of loss via Civil Law action

**Annex 1****Further Guidance on Fraud**

Further information relevant to forming a policy on the response to fraud can be found in the following:

Title	Publisher	Contents
Protecting the Public Purse	Audit Commission	Fraud and Corruption prevention, detection and responses
Fraud and Corruption Manual	Audit Commission	Prevention and Audit strategies
Opportunity Makes a Thief	Audit Commission	Computer abuse survey, including fraud, theft, sabotage, hacking etc.
Guidance on Losses and Special Payments	NHSS	Instructions on dealing with losses and special payments including delegation limits and when to inform NHSS, SGHSCD, External Auditors and Police.
Code of Conduct and Accountability Code of Practice on Openness	NHSS	Defines Public service values and the basis on which NHS bodies should fulfil the duties and responsibilities conferred on them.
The Investigation of Fraud in the Public Sector	CIPFA	Guidance for Internal Auditors on fraud investigation.
Procedures where Criminal Offences are Suspected	NHSS Circular HDL (2005)5	Procedures to follow in instances where criminal offences are suspected.
FHS (FHS) Suspected Frauds	NHSS Circular MEL (2000) 28	Procedure to follow in respect of Family Health Services. Annex A has been superceded by HDL (2005) 5.
Enhance Reporting of NHS Frauds and Attempted Fraud	CEL10 (2010)	Revised form SFR18 and delegated limits.
Strategy to combat financial crime in NHS Scotland bodies	CEL11 (2013)	Updates on expected Board actions to combat fraud

# Section E

## Standing Financial Instructions

This section explains how staff will control the financial affairs of NHS Ayrshire & Arran and ensure proper standards of financial conduct.

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## Item 1: Introduction

- 1.1 These Standing Financial Instructions detail the financial responsibilities, policies and procedures to be adopted by NHS Ayrshire & Arran Board. They are designed to ensure that the Board financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should also be used in conjunction with the Scheme of Delegation. There is reference made to internal website links throughout this section of the Code and a copy of any detailed information can be provided by contacting the Head of Corporate Governance using the contact details provided within the introduction on Page 11.
- 1.2 These standing financial transactions identify the financial responsibilities which apply to everyone working for the Board and its constituent parts. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial operating procedures. The Director of Finance must approve all financial operating procedures.
- 1.3 Statutory Instrument (1974) No 468 requires Directors of Finance to design, implement and supervise systems of financial control and NHS circular 1974 (GEN) 88 requires the Director of Finance to:
  - approve the financial systems
  - approve the duties of officers operating these systems
  - maintain a written description of such approved financial systems including a list of specific duties
- 1.4 Should any difficulties arise regarding the interpretation or application of any of the standing financial instructions then the advice of the Director of Finance must be sought before you act. The user of these standing financial instructions should also be familiar with them and comply with the provisions of the Board's Standing Orders ([click link](#)).
- 1.5 Failure to comply with standing financial instructions is a disciplinary matter, which could result in dismissal.
- 1.6 These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Board, its committee Members and officers, in relation to financial matters. They shall have effect as if incorporated in the Standing Orders of the Board.

This document is underpinned by the following principles:

## Item 2: Seven Principles of Public Life

### 2.1 Selflessness

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

## 2.2 Integrity

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

## 2.3 Objectivity

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

## 2.4 Accountability

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

## 2.5 Openness

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

## 2.6 Honesty

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

## 2.7 Leadership

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

### **Item 3: Roles and Responsibilities**

3.1 Any expression to which a meaning is given in the Health Service Acts or in the financial regulations made under the Acts shall have the same meaning in these instructions; and

- 'Board' means NHS Ayrshire & Arran.
- 'Budget' means an allocation of resources by the Director of Finance, or officer with delegated authority, expressed in financial terms, for the purpose of carrying out, over a specific period, a function or group of functions of the Board.
- 'Chief Executive' means the Chief Officer of the Board (who is directly accountable to the Board).
- 'Director of Finance' means the Chief Financial Officer of the Board.

- 'Budget Holder' or 'Delegated Officer' means the Chief Executive or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
- All references in these Instructions to the masculine gender shall be read as equally applicable to the feminine gender and vice versa.
- The Chief Executive shall be responsible for the implementation of the Board's financial policies after taking account of advice on all such matters given by the Director of Finance who will be responsible for supervising the implementation and co-ordination of any corrective or other actions required to further these policies.

3.2 The Board will exercise financial supervision and control by:

- Formulating the financial strategy
- Requiring the submission and approval of annual budgets within approved allocations
- 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 employees as indicated in the Scheme of Delegation.
- All directors and employees have a general responsibility for the security of the property of the Board, for avoiding loss, for economy and efficiency in the use of resources and for conforming with the requirements of these instructions. Should any difficulty arise regarding their interpretation then the advice of the Director of Finance must be sought before action is taken. The user of these SFIs should also be familiar with the provisions of the Board's Standing Orders, and these should be used in conjunction with the Scheme of Delegation.
- These SFIs do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial operating procedure notes. The Director of Finance must approve all financial operating procedures.
- It will be the duty of the Director of Finance to ensure that existing staff and all new appointees are informed of their responsibilities within these instructions.
- Within these SFIs it is acknowledged that the Chief Executive is ultimately accountable to the Board for ensuring that the Board meets its obligations to perform its functions within the available financial resources. The Chief Executive has overall responsibility for the Board's activities and is responsible to the Board for ensuring that its financial obligations and targets are met.

- The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities but they will remain accountable to the Board for financial control. The Chief Executive is the Accountable Officer for the Board's Finances, as set out in the Memorandum to National Health Service Accountable Officers by the SGHSCD in accordance with the Public Finance and Accountability (Scotland) Act 2000.

3.3 Without prejudice to the functioning of any other officer of the Board, the Director of Finance is responsible for:

- The preparation, documentation, implementation and maintenance of the Board's financial policies, procedures and systems in support of a comprehensive control environment
- Co-ordinating any corrective action necessary to further these policies, procedures and systems
- The design, implementation and supervision of systems of financial control including the adoption of Standing Financial Instructions and ensuring that detailed operating procedures and systems incorporating the principles of segregation of duties are prepared and maintained
- The maintenance of effective internal audit arrangements
- Implementing the Board's accounting policies consistent with SGHSCD and Treasury guidance and generally accepted accounting practice
- The preparation and maintenance of such accounts, certificates, estimates, records and reports for the purposes of carrying out the Board's duties and establishing with reasonable accuracy the Board's financial position
- The provision of financial advice to the Board and its officers
- The accurate and timely submission to the SGHSCD of Annual Accounts and such other reports, returns and monitoring information as may be required to allow the SGHSCD to discharge its responsibilities
- Where an employee carries out a finance function, even if that employee is employed outwith Finance, the Director of Finance will specify the form in which the records will be kept and procedures which will be followed to fulfil that function
- Wherever the title of Chief Executive is used in these instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent them.
- Whenever the term "employee" is used it shall be deemed to include directors or employees of third parties contracted to the Board when acting on behalf of the Board.



- 3.4 All staff, severally and collectively, are responsible for the security of the property of NHS Ayrshire & Arran, for avoiding loss, for economy and efficiency in the use of resources and for the conformity with the requirements of Standing Orders, including Standing Financial Instructions. Failure to comply with these requirements may result in disciplinary procedures in accordance with NHS Ayrshire & Arran's policy on discipline.
- 3.5 Where a fundamental organisational change, such as the creation of a new operational unit occurs, the Director of Finance will instigate a review of the relevant Standing Financial Instructions to ensure that if any amendments are required these are implemented as soon as possible.
- 3.6 It will be the duty of the Chief Executive to ensure that existing staff and all new employees are notified of their responsibilities within these instructions:
- Where an amount of money is indicated in these instructions, the amount to be applied is the amount quoted or such amount as may be subsequently authorised by, or on behalf of, the Board.
  - Failure to comply with Standing Orders and Standing Financial Instructions is a disciplinary matter, which could result in dismissal.

#### **Item 4: Code of Conduct and Accountability**

##### 4.1 Introduction

The principles underlying the Code of Conduct and the Code of Accountability for NHS Boards are reflected in these Standing Financial Instructions and should be read in conjunction with "The Seven Principles of Public Life" (Section 2).

##### 4.2 Code of Conduct for NHS Boards

###### 4.2.1 There are three crucial public service values which must underpin the work of the Health Service:

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

- 4.2.2 Public Service values matter in the NHS and those who work in it have a duty to conduct NHS business with probity. They have a responsibility to respond to staff, patients and suppliers impartially, to achieve value for money from the public funds with which they are entrusted and to demonstrate high ethical standards of personal conduct.
- 4.2.3 The success of this Code depends on a vigorous and visible example from NHS Boards and the consequential influence on the behaviour of all those who work within the organisation. NHS Boards have a clear responsibility for corporate standards of conduct and compliance with the Code should inform and govern the decisions and conduct of all NHS Board members.
- 4.3 Compliance with the Bribery Act 2010
- 4.3.1 The Board and all those who work in it have a duty to follow the good practice procedures set out in the Bribery Act, 2010. Specifically the Board operates a zero tolerance policy of bribery. The Bribery Act 2010 has brought further obligations on the Board and its staff.
- 4.3.2 The Board does not tolerate any form of 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.
- 4.3.3 The Board is committed to implementing and enforcing effective systems to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.
- 4.3.4 The Board will not conduct business with service providers, agents or representatives that do not support its anti-bribery statement. We reserve the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, the Board with immediate effect where there is evidence that they have committed acts of bribery.
- 4.3.5 The success of the Boards anti-bribery measures depends on all employees and those acting for the Board, playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for or on behalf of the Board are encouraged to report any suspected bribery in accordance with the Code of Corporate Governance and the Fraud Action and Response Plan.
- 4.4 Code of Accountability for NHS Boards
- 4.4.1 This Code of Practice is the basis on which NHSS organisations should seek to fulfil the duties and responsibilities conferred on them by the Cabinet Secretary for Health and Well Being.
- 4.4.2 All NHS Board members are required, on appointment, to subscribe to the Codes of Conduct and Accountability.
- 4.4.3 All staff should subscribe to the principles in the Code of Conduct and Chairs, Directors and their staff should be judged upon the way the Code is observed.

## Item 5: Responsibilities of the Chief Executive as Accountable Officer

5.1 The Chief Executive of NHS Ayrshire & Arran is responsible and accountable for funds allocated to the NHS Board by the Scottish Government Health and Social Care Directorates. In discharging these responsibilities the Chief Executive will ensure that the NHS Board carries out its recognised functions in a way which ensures the proper stewardship of public funds and assets.

The functions of the NHS Board are:

- to improve and protect the health of local people;
  - to improve health services for local people;
  - to focus clearly on health outcomes and people's experience of their local NHS system;
  - to promote integrated health and community planning by working closely with other local organisations; and
  - to provide a single focus of accountability for the performance of the local NHS system.
- These will be addressed through:
    - strategy development - to develop a single Board Annual Plan for NHS Ayrshire & Arran, which addresses the health priorities and health care needs of the resident population, and within which all aspects of NHS activity in relation to health improvement, acute services and primary care will be specified;
    - resource allocation to address local priorities – funds will flow to the NHS Board, which will be responsible for deciding how these resources are deployed locally to meet its strategic objectives;
    - implementation of the Board Annual Plan; and
    - performance management of the local NHS system, including risk management.

5.2 The Chief Executive, in the role as Accountable Officer, has a personal responsibility for the propriety and regularity of the public finances of NHS Ayrshire & Arran for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources of the NHS Board. The Director of Finance has a special responsibility to support the Chief Executive in the role as Accountable Officer.

5.3 The Chief Executive has a dual responsibility to the NHS Board and also through the Chief Executive of NHS in Scotland to Parliament for the stewardship of resources provided to the Board.

5.4 The Chief Executive is responsible for ensuring that the Annual Accounts, which are presented to the NHS Board for approval, are prepared under principles and in a format directed by the Scottish Government Health and Social Care Directorates with the approval of the Treasury. The accounts must give a true and fair view of the income and expenditure and the state of the affairs of NHS Ayrshire & Arran and the Chief Executive will sign the accounts (along with the Director of Finance and the Board Chair) on behalf of the NHS Board. In addition, and reflecting the role as Accountable Officer, the Chief Executive will sign a statement in the

accounts outlining their responsibilities and that of Board Members in respect of the system of internal financial control.

- 5.5 The Chief Executive will ensure that NHS Ayrshire & Arran has in place effective and sound financial systems, which safeguard public funds and should assist the Board Chair to implement the requirements of corporate governance.
- 5.6 The Chief Executive will advise the NHS Board, as appropriate, on all matters of financial probity and regularity, on prudent and economical administration; efficiency and effectiveness and, in particular, for ensuring that expenditure by NHS Ayrshire & Arran complies with Parliamentary requirements. In meeting these requirements, the Chief Executive must:
- Not exceed the revenue resource limit (taking one year with another).
  - Draw the attention of Parliament to losses or payments by appropriate notation of the statutory accounts.
  - Obtain approval from the Scottish Government Health and Social Care Directorates for any expenditure, which exceeds the limit delegated to the NHS Board.
  - Ensure that all items of expenditure, including payments to staff, fall within the legal powers of the NHS Board, are exercised responsibly and with due regard to probity and value for money.
  - Comply with guidance issued by the Scottish Government Health and Social Care Directorates on classes of payment and authorise personally, such payments as termination payments to other senior members of staff.
- 5.7 The Common Seal of the NHS Board will be held by the Chief Executive, in a suitable and secure place and that individual will be responsible for its safe custody and use. Any document requiring authentication under seal will be executed for, and on behalf of, the NHS Board by the affixation of the Common Seal and with the agreement of the Chief Executive or his/her deputy.
- 5.8 The Common Seal will not be affixed to any document except with the approval of the NHS Board. In exceptional circumstances, the Board Chair may give approval for its use.

## **Item 6: Financial Planning and Control**

- 6.1 NHS Ayrshire & Arran has a responsibility to prepare and submit financial plans in accordance with the requirements of the Scottish Government Health and Social Care Directorates and to ensure that such plans are reconcilable to NHS Ayrshire & Arran's budget. It will perform its functions within the total of funds allocated by the Scottish Government Health and Social Care Directorates and in accordance with the financial framework contained within NHS Ayrshire & Arran's Financial Plans. All plans, financial approvals and control systems will be designed to meet these obligations.
- 6.2 The Director of Finance will, on behalf of the Chief Executive, prepare and submit to the NHS Board for its approval a financial strategy, in line with guidance from

Scottish Government Health and Social Care Directorates, which will be prepared to accompany the Board Annual Plan.

- 6.3 The Director of Finance will review the bases and assumptions used to prepare the financial plan and advise the NHS Board whether they are realistic. As a consequence, the Director of Finance will have right of access to all relevant parties associated with the plan and its implementation.
- 6.4 Such financial plans should relate to income and expenditure in that year and will have supporting statements which explain any matter material to the understanding of the financial plans covering:
- commissioning of healthcare provision
  - activities relating to “ring-fenced” allocations
  - revenue and capital items
- 6.5 Alterations to financial plans may be made as long as they are contained within that year’s revenue and capital resource limits, consistent with NHS Board policy and approved by the Chief Executive.
- 6.6 Financial plans and budgets will be produced following discussion with the Executive Team and appropriate budget holders.
- 6.7 The Chief Executive will delegate the management of budgets as far as possible to officers. The terms of delegation shall include a clear definition of individual responsibilities for control of expenditure, exercise of virement and the provision of regular reports. Officers delegated a budget shall strictly observe any budgetary limits and other restrictions. The budget for each officer shall be the limit of that officer’s authority to commit the Board to expenditure.
- 6.8 Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance, 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 delegated powers of virement.
- 6.9 The Director of Finance, on behalf of the Chief Executive, shall monitor the use of delegated budgets in conjunction with the officers to whom budgets were delegated to ensure that financial control is maintained and that the Board’s financial plans and policies are implemented.
- 6.10 The Director of Finance shall ensure that:
- The system of internal financial controls is sufficient and adequate to ensure the achievement of Board objectives and compliance with standards and regulations.
  - Adequate statistical and financial systems are in place to monitor and control all delegated budgets.
  - Adequate arrangements are in place for the investigation of variances from budget.

- Senior officers provide all financial, statistical and other relevant information as necessary for the compilation of estimates and forecasts.
- The Chief Executive and the Board are informed of the financial consequences of changes in policy, or other events affecting budgets or projections, and shall advise on the financial and economic aspects of these changes.
- Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by the Chief Executive or the Director of Finance acting on their behalf.
- The Director of Finance shall provide the Board with regular reports giving details of the current financial position and a forecast of the Board's expected outturn at the end of the financial year.
- The Director of Finance has a responsibility to ensure that adequate training is delivered on an ongoing basis to budget holders to help them manage their delegated budgets effectively.

6.11 The Director of Finance will provide the NHS Board at regular intervals, but no less than quarterly, with reports showing:

- NHS Ayrshire & Arran's overall performance against its notified Revenue Resource limit on the basis of income and expenditure for the period under review including a forecast of the expected position at 31 March.
- Any other financial reports required by the NHS Board in the performance of its functions.

6.12 A detailed financial operating procedure covering "Financial Planning and Budget Setting Arrangements (FOP02 is available in the Finance Operating Procedures on Athena

## **Item 7: Commissioning Patient Services**

7.1 The Chief Executive, in conjunction with the Director of Finance will be responsible for ensuring that all services required outwith NHS Ayrshire & Arran are covered by a series of Service Level Agreements or, if not, that adequate funds are retained to pay for services obtained outwith approved agreements.

7.2 The relevant Health Care Directors will be responsible for agreeing to the financial details contained in those NHS Service Level Agreements, with appropriate support from the Finance Department and Policy, Planning and Performance.

7.3 The Director of Finance will be responsible for establishing arrangements for the payment for unplanned activity. These arrangements should be simple to operate, financially robust and in accordance with national guidance

7.4 The Director of Finance will be responsible for maintaining a system for the payment in line with Service Level Agreement in accordance with agreed terms, or otherwise in accordance with national guidance.

7.5 The Caldicott Guardian will be responsible for ensuring that all systems are compatible with the need to maintain confidentiality of patient information.

## Item 8: Annual Accounts and Reports

- 8.1 Annual Accounts, Notes, Scottish Financial Returns (SFRs) and other financial returns will be prepared in accordance with the guidance and the timetables contained within the NHS Scotland Health Board Accounts Manual as updated annually by the Scottish Government Health and Social Care Directorates.
- 8.2 The Accounts should give a true and fair view of income and expenditure, balance sheet and cash flow statement and be presented in accordance with accounting standards and accounting policies for approval by the NHS Board.
- 8.3 The Director of Finance, on behalf of the NHS Board, will prepare and submit Annual Accounts to the NHS Board's Appointed Auditor by the due date in respect of each financial year in such a form as directed by the Scottish Government Health and Social Care Directorates with the approval of the Treasury. As well as the above Primary Financial Statements, the Accounts will include the following:
- The Performance Report
    - Overview
    - Performance Analysis
  - The Accountability Report
    - Corporate Governance Report
    - Remuneration and Staff Report
    - Audit Report
- 8.4 When the Appointed Auditor completes the review of the annual accounts, with no outstanding audit issues, and the Audit and Risk Committee has been advised of the proposed opinion (including the nature of any qualification), the NHS Board should thereafter formally adopt the Accounts. The Chief Executive as accountable officer will sign the Performance Report and the Accountability Report. The Chief Executive and Director of Finance will also sign the Balance Sheet. The Appointed Auditor will then complete the Audit Certificate.
- 8.5 The Director of Finance will prepare extracts of financial information, which will form part of the NHS Ayrshire & Arran's overall Annual Report and in accordance with current guidelines on local accountability and provide such other financial data as may be specified from time-to-time by the Scottish Government Health and Social Care Directorates.

## Item 9: Internal Audit

- 9.1 The Director of Finance will be responsible for ensuring that there are arrangements to measure, evaluate and report on the effectiveness of internal control and efficient use of resources within NHS Ayrshire & Arran.
- 9.2 To do this, the Director of Finance will ensure that an adequate Internal Audit function is established headed by a Chief Internal Auditor with appropriate status and qualifications. The foregoing applies regardless of whether the Internal Audit

function is provided by an in-house team or by means of external contract or consortium arrangements.

- 9.3 Internal Audit shall adopt the Public Sector Internal Audit Standards which are mandatory and shall follow good practice guidance as set out in the NHS Internal Audit Manual.
- 9.4 The role and objectives of internal audit within the NHS are to review, appraise and report to management upon:
- the soundness, adequacy and financial effect of established policies, plans and procedures,
  - the extent of compliance with, relevance and financial effect of, established policies, plans and procedures,
  - the extent to which NHS Ayrshire & Arran's assets and interest are accounted for and safeguarded from losses of all kinds arising from fraud and other offences (where malpractice is suspected, the Director of Finance will be notified immediately).
  - waste, extravagance and inefficient administration, poor value for money or other cause,
  - the efficient use of resources,
  - the suitability and reliability of financial and other related management data developed within NHS Ayrshire & Arran,
  - the Board's risk management arrangements,
  - the adequacy of follow-up action to audit reports.
- 9.5 It is the responsibility of Directors and Managers of NHS Ayrshire & Arran to establish, maintain and operate sufficient internal controls to run the organisation. Internal Audit's function is to appraise these arrangements and controls and report thereon as a service to management in discharging their duties.
- 9.6 Internal Audit's basic objective is, therefore, to assist the various levels of management in discharging their duties and responsibilities by carrying out appraisals and making the necessary appropriate recommendations to management for operations under its control.
- 9.7 The Chief Internal Auditor will prepare and submit a Strategic Audit Plan to the Audit and Risk Committee and the NHS Board and will submit an annual report of the Internal Audit function to the Audit and Risk Committee indicating the extent of audit cover achieved and providing a summary of audit activity during the year.
- 9.8 The Internal Auditor shall report regularly to the Audit and Risk committee on the extent of audit cover achieved, providing a summary of audit activity during the report period, and detailing the degree of achievement of the approved plan.
- 9.9 The NHS Board will establish an Audit and Risk Committee with the following responsibilities:
- Reviewing NHS Ayrshire & Arran's Statutory Annual Accounts
  - Liaising with External Audit and reviewing their findings



- Reviewing the effectiveness of internal audit and its reports and approving plans prepared by the Chief Internal Auditor covering the scope and timing of internal audit work
  - Periodically reviewing the effectiveness of internal control systems
- 9.10 Guidance on the composition of the Audit and Risk Committee is given in the terms of reference, which accompany NHS Ayrshire & Arran's Standing Orders.
- 9.11 Where a matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of NHS Ayrshire & Arran or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.
- 9.12 The Director of Finance will investigate cases of fraud, misappropriation or other irregularities, in consultation with NHS Scotland Counter Fraud Services and the Police where appropriate.
- 9.13 The Chief Internal Auditor and staff employed by NHS Scotland Counter Fraud Services shall be entitled without necessarily giving prior notice, to require and receive:
- Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case, the Chief Internal Auditor will have a duty to safeguard that confidentiality),
  - Access at all reasonable times to any land, premises or employee of NHS Ayrshire & Arran,
  - The production or identification by an employee of NHS Ayrshire & Arran of any cash, stores or other property under that employee's control,
  - Explanations concerning any matter under investigation or review.
- 9.14 The Chief Internal Auditor shall report to the Director of Finance who shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take any necessary remedial action within a reasonable period shall be reported to the Audit and Risk Committee as part of regular follow-up reports. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, the Chief Internal Auditor shall have access to report direct to the Chief Executive or the Board Chair or the Chair of the Audit and Risk Committee.

## **Item 10: Budgets**

- 10.1 The NHS Board is required to perform its function within the total funds available to it. All plans, financial approvals and control systems must be designed to meet this requirement.
- 10.2 The Director of Finance will, on behalf of the Chief Executive, and preferably in advance of the financial year to which they refer, prepare and submit budgets within the forecast limits of available resources and planning policies to the NHS Board for their approval.

- 10.3 The Director of Finance will devise and maintain systems of budgetary control; all officers whom NHS Ayrshire & Arran 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.
- 10.4 A consolidated report on spend against approved budgets will be made to each NHS Board meeting by the Director of Finance. Consolidated financial reporting to the Scottish Government Health and Social Care Directorates will be made in the prescribed format and timescales.
- 10.5 The Chief Executive may delegate management of a budget or a part of a budget to officers to permit the performance of defined activities. The terms of delegation will include a clear definition of individual and group responsibilities for control of expenditure, exercise of virement, achievement of planned levels of service and the provision of regular reports upon the discharge of those delegated functions to the Chief Executive. Responsibility for overall budgetary control remains with the Chief Executive.
- 10.6 In carrying out their duties:
- the Chief Executive will not exceed the budgetary or virement limits set by the NHS Board;
  - officers will not exceed the budgetary limits set for them by the Chief Executive; and
  - the Chief Executive may vary the budgetary limit of an officer within the Chief Executive's own budgetary limit.
- 10.7 Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance, 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 delegated powers of virement.
- 10.8 Expenditure for which no provision has been made in an approved budget and not subject to funding under the delegated powers of virement shall only be incurred after authorisation by the NHS Board.
- 10.9 The Director of Finance will keep the Chief Executive and the NHS 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.
- 10.10 This should be read in conjunction with NHS Ayrshire & Arran's Financial Operating Procedure - Financial Planning and Budget Setting (FOP 02 available in the Finance Operating Procedures on Athena).

## Item 11: Capital Investments & Fixed Assets

- 11.1 Capital Planning and Approval Processes were delegated to NHS Boards in 2002 [HDL (2002[40 refers]. These instructions reflect the inherent responsibility of Boards to manage their capital needs from within a single capital resource allocation.
- 11.2 These instructions should be read in conjunction with the Scottish Capital Investment Manual issued by the SGHSCD. For property transactions, the relevant guidance is contained in the NHS Property Transaction Handbook and Guidance from the SGHSCD titled Improved Asset Management and the Location of Public Sector Organisations. The requirements for the preparation of business cases remains contained in the relevant sections of CEL 35 (2010) and CEL 19 (2010).
- 11.3 The Chief Executive will ensure that there is an adequate appraisal and review process in place for determining capital expenditure priorities and the effect of each proposal upon strategic and operational plans.
- 11.4 The Directorates must not be committed to purchasing or constructing fixed assets before a sum for the purpose has been approved and allocated by the NHS Board. Approval levels for authorising capital expenditure are detailed in NHS Ayrshire & Arran's Financial Operating Procedure – Capital Operating and Accounting Procedures (FOP 03 available in the Finance Operating Procedures on Athena).
- 11.5 The Director of Finance will ensure that all capital expenditure proposals meet the process for approval as agreed by the Finance Committee.
- 11.6 In the case of large capital schemes, a system shall be established for progressing the scheme and authorising necessary payments up to completion. Provision should be made for regular reporting of actual expenditure against authorisation of capital expenditure.
- 11.7 Disposals of equipment assets, including donated equipment, will comply with the NHS Ayrshire & Arran's Financial Operating Procedure – Capital Operating and Accounting Procedures (FOP 03 available in the Finance Operating Procedures on Athena).
- 11.8 Disposals of land and property will be conducted in line with Directives from the Scottish Government Health and Social Care Directorates for approving such transactions (Ref MEL(1993)72 & 73) as detailed in the NHSS Property Transaction Handbook, and approval obtained from the Scottish Health Minister where appropriate.
- 11.9 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).
- 11.10 The overall control of fixed assets shall be the responsibility of the Chief Executive advised by the Director of Finance.

- 11.11 NHS Ayrshire & Arran will maintain an asset register. The minimum data set to be held within the register shall be as specified in the Capital Charges Manual (Section 9) as issued by the Scottish Government Health and Social Care Directorates in Scotland. In addition, operational managers shall maintain records of desirable assets costing less than the current capitalisation limit of £5,000 and ensure that such records are complete and accurate.
- 11.12 The Director of Finance will issue guidance on the form and content of these records.
- 11.13 The Director of Finance will produce detailed guidance on the procedures and controls to be operated within the Finance Department. These will be contained in the NHS Ayrshire & Arran's Accounting Procedures Manual.

#### **Item 12: Security of Assets, Cash, Cheques and Other Negotiable Instruments**

- 12.1 The Director of Finance will prepare procedural operating instructions on the security, checking and disposal of assets (cash, cheques and negotiable instruments and donated assets). It will be the responsibility of all Senior Managers to ensure that staff are made aware of these instructions, which must be followed at all times.
- 12.2 Whilst each employee has a responsibility for the security of the property of NHS Ayrshire & Arran, it shall be the responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Any breach of agreed security practices will be reported in accordance with instructions included in Financial Operating Procedure (FOP 18) Losses and Compensation Payments. (available in the Finance Operating Procedures on Athena))

#### **Item 13: Insurance Arrangements**

- 13.1 The Director of Finance is responsible for ensuring that NHS Ayrshire & Arran has appropriate insurance cover in accordance with NHS Ayrshire & Arran's Risk Management Policy and the Scottish Government Health and Social Care Directorates guidance on the insurance requirements of Health Boards.
- 13.2 The following risks must be insured against:
- Vehicles
  - Pressurised vessels
  - Lift winding gear
- 13.3 Other risks may be insured against and NHS Ayrshire & Arran will follow advice given by the Scottish Government Health and Social Care Directorates in its Guidance for Finance Managers Manual. Notwithstanding these recommendations, NHS Ayrshire & Arran will ensure that all arrangements represent the best value for money.
- 13.4 Senior Managers will ensure that any incident which may lead to a claim on NHS Ayrshire & Arran's insurance policies must be reported promptly to the Director of

Finance. The Director of Finance will then liaise with the insurance company and, where appropriate, obtain advice from the Central Legal Office.

- 13.5 The Director of Finance will devise and implement any procedures necessary to ensure potential claims from insurance companies are processed swiftly and thoroughly.
- 13.6 In addition to the above, the Board is a member of the Clinical Negligence and Other Risks Indemnity Scheme, as required by the Scottish Government Health and Social Care Directorates. The scheme provides cover for Clinical and Medical Negligence, Public Liability and Employer Liability.

#### **Item 14: Banking Arrangements**

- 14.1 The Director of Finance will determine NHS Ayrshire & Arran banking arrangements and in that determination will have regard to the guidance issued, from time-to-time, by the Scottish Government Health and Social Care Directorates.
- 14.2 The Director of Finance will be responsible for establishing one or more accounts:
- into which all credits or payments by the Scottish Government Health and Social Care Directorates are to be made;
  - into which all payments to or from a Health Board as purchaser or provider under an NHS contract are to be made;
  - to or from which any other credit or payment may be made.
- 14.3 In the operation of such account, the Director of Finance will ensure:
- that payments authorised to be made from such an account do not exceed the amount credited to the account, and
  - the authorisation by the NHS Board, by specific resolution, of a panel of officers including the Director of Finance who are empowered to authorise the issue of Resource Fund Transfers.
- 14.4 The Director of Finance will be responsible for establishing a commercial bank account in line with the Scottish Government Health and Social Care Directorates' directive of April 2010 to consolidate the whole of government banking arrangements. This account is to be used for:
- the receipt of all income other than that paid to the main exchequer bank account,
  - the funding of any subsidiary account.
- 14.5 A subsidiary bank account may be used for making payments other than to NHS bodies where, the NHS Board is satisfied that the use of that bank for such payments provides the best value for money.
- 14.6 The Director of Finance will be responsible for establishing a separate Project Bank Account for all capital building projects where the budget is over £2m. The account will be used solely to process payments to Preferred Supply Chain Partners and sub-contractors. The bank account will receive income from the Health Board for capital projects based on contractual terms and work completed.

- 14.7 The Director of Finance will advise the bankers in writing, including a copy of the NHS Board's resolution, of the conditions under which each account will operate. All funds will be held in accounts in the name of Ayrshire and Arran Health Board. No officer other than the Director of Finance will open any bank account in the name of the NHS Board.
- 14.8 The Director of Finance will advise the bankers of any alteration in the conditions of operation of accounts that may be required by financial regulations of the Health Service or by resolution of the NHS Board as may be necessary from time-to-time.
- 14.9 The balances of accounts holding public funds will be maintained at the lowest practicable levels. The main account will be permitted to be overdrawn only to the extent of any net credit balance on subsidiary bank accounts maintained at the same branch in the same name and in the same right.
- 14.10 Cheques or other orders drawn upon the main bank account referred to at Paragraph 14.4 above will be signed by officers drawn from a panel of officers authorised by resolution of the NHS Board.
- 14.11 The bank concerned will be advised, in writing, of those officers authorised to instruct payment of money from any subsidiary bank account. Payments drawn on subsidiary bank accounts will be authorised as follows:
- By the use of pre-printed or pre-signed cheques without a handwritten signature where the security procedures have been approved by the Director of Finance,
  - Manually, thereafter, produced cheques will be signed by one authorised officer up to £100,000,
  - Payments over £100,000 shall be supported by more than one authorised signature or initials on the cheque or authority to pay as appropriate and no attempt will be made to bypass this instruction by issuing more than one cheque for a single payment due.
- 14.12 All cheques are to be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.
- 14.13 Subsidiary accounts will be funded by bank transfers drawn on the main account and signed by a member of the authorised signatory panel and in transfers exceeding £100,000 by two members of this panel.
- 14.14 The Director of Finance will review the banking needs of NHS Ayrshire & Arran at regular intervals to ensure that they reflect current business patterns and represent best value for money. Following such reviews, the Director of Finance will determine whether or not re-tendering for services is necessary.
- 14.15 NHS Ayrshire & Arran's Operational Procedures contains detailed instructions on Banking Arrangements for Exchequer and Endowment Accounts and these procedures must be followed at all times.

### **Item 15: Payment of Staff**

- 15.1 The Director of Finance shall ensure that arrangements established for the payment of staff are in accordance with the Payroll Operating Principles detailed below and the detailed NHS Ayrshire & Arran's Financial Operating Procedure (FOP 12 available in the Finance Operating Procedures on Athena).
- 15.2 Each employee will be issued with a contract, which will comply with current employment legislation and be in a form approved by the NHS Board.
- 15.3 No officer may engage or re-grade staff, or hire agency staff, outwith the limit of his approved budget and financed establishment, unless with the written approval of the Chief Executive.
- 15.4 A signed copy of the Staff Engagement Form and such other documents as may be required will be sent to the Human Resources Director, immediately upon the employee commencing duty.
- 15.5 A Staff Termination Form and such other documents as may be required will be submitted to the Human Resources Director in the prescribed form immediately upon the effective date of an employee's resignation, retirement or termination being known. Where an employee fails to report for duty in circumstances, which suggest that the employee has left without notice, the Human Resources Director must be informed immediately.
- 15.6 The HR Director will be notified immediately upon the effective date of any change in state of employment or personal circumstances of an employee being known.
- 15.7 All Duty Sheets, and other time and attendance payroll records and notifications shall be in a form approved by the Director of Finance and must be certified and submitted in accordance with NHS Ayrshire & Arran's Financial Operating Procedure – (FOP 12 available in the Finance Operating Procedures on Athena).
- 15.8 The Director of Finance will be responsible for the final determination of pay, including the verification that rate of pay and relevant conditions of service are in accordance with current agreements, the proper compilation of the payroll and for payments made.
- 15.9 NHS Ayrshire & Arran's Operational Procedures contain detailed instructions on the Payment of Staff and these procedures must be followed at all times.

### **Item 16: Payment of Accounts and Expenses**

- 16.1 The Director of Finance shall be responsible for arranging for systems to be in place which allow for the recording and payment of all amounts due by the Board.
- 16.2 The Director of Finance will be responsible for the proper payment of all accounts and claims.

- 16.3 All officers must inform the Director of Finance promptly of all money payable by NHS Ayrshire & Arran arising from transactions which they initiate, including contracts, leases, tenancy agreements and other transactions.
- 16.4 The Director of Finance will be responsible for designing and maintaining a system for verification, recording and payment of all amounts payable by NHS Ayrshire & Arran.
- 16.5 The system shall provide for:
- Goods have been duly received, examined, are in accordance with specifications 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 materials or expenses, the time charged is 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.
  - Journeys claimed are reasonable and have been undertaken, courses and conferences attended, and all other services claimed from the Board have been provided.
  - The expenditure is in accordance with current, national and local regulations and that all necessary Director or appropriate officer authorisations have been obtained.
  - Instruction to staff regarding the handling, checking and payment of accounts and claims within the Finance Department.
  - Payments will be made by the most time and cost efficient manner.
  - All instructions/requests for payment by the Board must on all occasions be directed to the Finance Department.
- 16.6 Where an officer certifying accounts or claims relies upon other officers to do preliminary checking, he shall, wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.
- 16.7 In the case of contracts for building or engineering works, which require payment to be made on account during the progress of the works, the Director of Finance will make payment on receipt of a certificate from the appropriate 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 such general examination by a works officer, as may be considered necessary, before the person responsible to the NHS Board for the contract, issues the final certificate.
- 16.8 The Director of Finance 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 must be retained.



- 16.9 The Director of Finance shall ensure that an up-to-date list of authorised signatories and limits is maintained.
- 16.10 NHS Ayrshire & Arran's Financial Operating Procedures for Accounts Payable and Invoice Processing (FOP 9 available in the Finance Operating Procedures on Athena) contain detailed instructions on the Payment of Accounts, Expenses and Petty Cash and these procedures must be followed at all times.

#### **Item 17: Family Health Service Payments**

- 17.1 All payments on behalf of NHS Ayrshire & Arran, for Family Health Services (FHS), regardless of whether they are non-cash limited or cash limited, shall be included as expenditure in the Annual Accounts of NHS Ayrshire & Arran.
- 17.2 Payments to individual practitioners providing Medical, Dental, Pharmaceutical or Ophthalmic services will be made by the Practitioner Services Division on behalf of NHS Ayrshire & Arran.
- 17.3 The Practitioner Services Division will provide monthly schedules of payments made for all services or fees and these shall be reconciled and agreed in line with procedures devised by the Director of Finance.
- 17.4 Whilst payments are made on behalf of NHS Ayrshire & Arran by the Practitioner Services Division, it shall remain the overall responsibility of the NHS Board and its Directors to prevent and detect fraud in all expenditure.
- 17.5 The Director of Finance will ensure that appropriate entries are made in NHS Ayrshire & Arran financial ledger to record expenditure and corresponding income relating to NHS Ayrshire & Arran.
- 17.6 The Director of Finance will ensure that budgets are prepared annually for Family Health Service payments and that appropriate budgetary control procedures are applied. In the case of non-cash limited payments these budgets will be indicative only.
- 17.7 For General Medical Services cash limited and out-of-hours payments, the Director of Finance will be responsible for calculating, notifying and authorising the Practitioner Services Division of all payments with the exception of services fees.
- 17.8 For Drugs and Prescribing costs, the Director of Finance shall determine which payments require to be authorised in advance of payment by the Practitioner Services Division (PSD).
- 17.9 The Director of Finance, in partnership with PSD, will establish a Post Payment Verification Group, which will examine payment trends across the four Family Health Services. This group will meet quarterly and reports will be provided to the Director of Finance for distribution as appropriate. An annual report will be prepared for the Board's Audit Committee.
- 17.10 The Director of Finance will periodically assess the accuracy with which the Practitioner Services Division makes payments to the Board's independent Medical,

Dental, Pharmaceutical and Ophthalmic practitioners and report this to appropriate managers within NHS Ayrshire & Arran and/or Scottish Government Health and Social Care Directorates.

- 17.11 NHS Ayrshire & Arran has detailed instructions on Family Health Service Payments and these procedures must be followed at all time

#### **Item 18: Income**

- 18.1 The Director of Finance will ensure that appropriate systems exist for the collection and management of income and are operating within the principles detailed below.
- 18.2 The Director of Finance will be responsible for approving systems designed and maintained for the proper recording, invoicing, collection and banking of all monies due, including the creation of a register for regular income, which will incorporate the principles of internal check and separation of duties.
- 18.3 All officers will inform the Director of Finance of money due to NHS Ayrshire & Arran arising from transactions, which they initiate involving Ayrshire contracts, leases, tenancy agreements and other transactions. Invoices for sums due to the Board must be arranged through NHS Ayrshire & Arran's Finance Directorate. Unofficial invoices must not be raised by other individuals/ directorates. Responsibility for arranging the level of rentals for newly acquired property and for reviewing rental and other charges regularly will rest upon the Director of Finance who may take into account independent professional advice on matters of valuation. The Director of Finance will be consulted about the pricing of goods and services offered for sale and national negotiated rates will be observed.
- 18.4 The Director of Finance will take appropriate recovery action on all outstanding debts. Income not recovered shall be dealt with in accordance with these Standing Financial Instructions – Section 21 - Condemnations, Losses and Special Payments.
- 18.5 NHS Ayrshire & Arran's Financial Operating Procedures contains detailed instructions on Income and these procedures must be followed at all times. Sales Ledger Invoice Processing (FOP 8 available in the Finance Operating Procedures on Athena)

#### **Item 19: Procurement**

- 19.1 The following instructions outline the requirements for purchasing and procurements within the Board. Full processes and procedures are outlined in the Procurement Operating procedures available on Athena.
- 19.2 All purchases and procurements must be procured in accordance with the Procurement Operating Procedures. Directorate and Department managers must work with, either the Procurement department directly or with an Officer with Delegated Purchasing Authority, i.e. a Designated Purchasing Officer. Authorisation of purchase orders or purchase order requisitions must be in line with delegated authorisation limits.

- 19.3 Where supplies, services and works of the type and quantity required are available on (Scottish) National Framework contract, regional or local contracts, the order must be placed with the supplier designated in that contract or selected from suppliers on that contract. Only in exceptional circumstances and with the authority of the Director of Finance and in conjunction with the Head of Procurement or National Procurement, will supplies and services available on a these contracts be ordered out with that contract.
- 19.4 To buy anything, not on (Scottish) National Framework contract, regional or local contracts, of £50,000 or more a Tender exercise must be carried out on [www.Publiccontractsscotland.gov.uk](http://www.Publiccontractsscotland.gov.uk) PCS web portal. Directorate and Department managers must work with, either the Procurement department directly or with an Officer with Delegated Purchasing Authority, i.e. a Designated Purchasing Officer.
- 19.5 To buy anything of a value of £10,000 or more and less than £50,000 a tender or quotation exercise must be carried out using the PCS Quick Quote facility with a minimum of three quotes being sought, from three different suppliers.
- 19.6 For purchases of a value of less than £10,000 a minimum of one quote must be sought and a record of these maintained within the department. As with all expenditure staff have a duty to ensure best value.
- 19.7 The PCS Quick Quote facility may also be used for lower value quotations and should be used to carry out mini competitions when selecting a supplier from a Framework.
- 19.8 Orders shall not be placed in a manner devised to avoid the financial limits specified by the Board.

To ensure best value is sought when procuring goods services or works all staff must ensure that repeated requirements for similar goods services or works over the whole of the Ayrshire and Arran Board area are considered and likely spend consolidated.

- This may involve doing one local tender rather than several quotes.
- One WTO tender rather than several below threshold tenders.
- Developing a local Framework agreement.
- It may just involve moving to existing national or regional Framework agreements rather than procuring solely for NHS Ayrshire & Arran.

- 19.9 Where the value exceeds £10,000, the Director of Finance and the Assistant Director of Finance (Governance & Shared Services) may approve an award of business or purchase without competition but only after they have reviewed evidence submitted in a Tender Waiver Request Form. All tender waivers approved will be reported to the Audit and Risk Committee.

Competitive tenders and Quotations may not be required in the following circumstances:

- Patient-specific procurements  
Unplanned procurements for individual patients due to timescales involved and confidential nature of patient health care.
- Emergencies  
Major incident: When a major incident is declared, given the extreme urgency of the situation, to support taking necessary action
- Sole source  
In a few cases there may only be one supplier of a product that provides a specific functionality e.g. in the case of innovative developments. Robust evidence, independent of the supplier, must be provided to establish sole supplier status.

Where the maintenance and/or repair can only be carried out by the manufacturer or designated contractor.

You have to use a particular supplier because they are the only ones with the specialist knowledge.

- Standardisation  
Medical equipment management governance requires standardisation to help ensure clinical staff competence in equipment use and to facilitate maintenance and the supply of consumables and accessories. Standardisation should, however, not be used to resist change. The standardisation provision only applies where the number of items to be procured is a low proportion of the inventory for those items. It should also take into account life-cycle replacement planning (Medicines Healthcare products Regulatory Authority (MHRA) Device Bulletin DB2006 (5): Managing Medical Devices; Audit Scotland, Better Equipped to Care, (2004).

19.10 Written permission from the Assistant Director of Finance (Corporate & Shared Services) is also required to purchase any NP national contracted goods or services from a non contract supplier and will only be considered if the Head of Procurement confirms that the department wishing to purchase has worked with the Procurement Department and exhausted all possible means by which the contracted supplier could be used.

19.11 Form of Contract, an official Purchase Order or a Letter of Acceptance shall be issued for every Contract resulting from a successful, accepted invitation to tender or quote for the supply of goods and services.

This will include goods or services supplied where a tender waiver was approved.

19.12 All contracts including purchases ordered as a result of a tender or quick quote must be entered into the Corporate Contract Register maintained by the Procurement Department.

19.13 No company should be given any advantage over its competitors, such as advance notice of NHS requirements, which might hinder fair competition between prospective contractors or suppliers.

19.14 Standards of Business Conduct – NHS Staff

- In any circumstances where an officer has an interest, pecuniary or otherwise, in the outcome of a tender or quotation, the officer concerned must declare his/her interest and withdraw from all contracting/procurement arrangements concerning that item.
- Visits by officers at suppliers' expense to inspect equipment must not be undertaken without the prior approval of the Chief Executive or the Director of Finance. See Section C and supporting guidance for detail.
- All staff should be made aware of, and comply with, the requirements of 1989(GEN)32 as re-stated and reinforced by NHS MEL(1994)48 "Standards of Business Conduct for NHS Staff" with regard to acceptance of financial assistance, gifts, hospitality and declaration of interest. See Section C and supporting guidance for detail.

19.15 Receipt and Safe Custody of Tenders and Records

- All tenders will be received electronically using the PCS web portal.
- The mailbox facility will be used for each Tender or Quote in the case of Tenders a minimum of two authorised officers will be assigned as openers.
- Further Instruction on tendering procedures is contained in the Board's. [Procurement Operating Procedure](#) available on the NHS Ayrshire & Arran Intranet.

19.16 Retention of Documents

- Successful – six years after the end of the financial year in which the agreement contract expires.
- Unsuccessful – three years after the financial year to which they relate.

19.17 All goods and services relevant to Ayrshire and Arran Health Board must be processed by utilising an official buying order. The key principles outlined in CEL05 (2012) should be complied with and direct payments without an official buying order is only acceptable if a separately agreed payment mechanism has been pre-arranged and approved by the Director of Finance.

19.18 It should be especially noted that NHS Ayrshire & Arran Staff are prohibited from ordering or obtaining goods for their personal use through NHS Ayrshire & Arran's ordering system or in such a way as to take advantage of NHS Ayrshire & Arran's

discounts or other privileged purchasing arrangements. Thus, all goods obtained through the Board's auspices shall be for the official use of NHS Ayrshire & Arran.

19.19 Board procedures must be followed at all times concerning the buying and receipt of goods i.e. a separate officer should order and receive goods.

#### 19.20 Other Controls

- The Assistant Director of Finance (Governance & Shared Services) will be responsible for ensuring that lists are maintained of authorised ordering officers. Limits will vary according to their limit of delegation.
- Details of all orders placed shall be available to the Director of Finance, either in paper form or accessible through a computerised procurement purchasing/ledger system.
- The Director of Finance will ensure that appropriate delegation arrangements are in existence to ensure that all orders comply with the Board's Financial Plan. Orders not complying with the Board's Financial Plan must be authorised by senior officers and approved by the Chief Executive or Director of Finance.
- Contracts shall only be entered into by officers of the Board who are properly designated to do so (Designated Purchasing Officers). All contracts should have appropriate terms and conditions, which limit the Board's liabilities and minimise the risk of any adverse litigation. Where appropriate, standard forms shall be used and where contracts are not of a standard form, the Procurement Department and/or Central Legal Office should be consulted.

19.21 In accepting the most economically advantageous tender which is not the lowest priced tender received, a detailed explanation for accepting the tender must be clearly recorded in the Tender Outcome Report/Reports on Tenders. This must include an explicit detail of why the quality of this tender is advantageous for NHS Ayrshire & Arran compared to the other tenders received.

### Item 20: Stores

20.1 Subject to the responsibility of the Director of Finance for the systems of control, the overall control of stores shall be the responsibility of a senior officer delegated by the appropriate Executive Director. Detailed guidance is contained in NHS Circular SHHD/DGM (1990) 82, which is issued to all departments holding stock. The day-to-day management may be delegated to departmental officers and Stores Managers/Keepers, subject to such delegation being entered in a record available to the Director of Finance.

20.2 The responsibility for security arrangements and the custody of keys for all stores locations shall be clearly defined in writing by a senior officer delegated by the appropriate Executive Director. Wherever practicable, stock items shall be marked as Health Service property.

20.3 All stores records will be in such form and will comply with the system of control as approved by the Director of Finance.

- 20.4 The Director of Finance will prepare detailed procedures to be followed by all finance staff outlining their responsibilities as regards stores and other stock balances not subject to perpetual inventory systems.

### **Item 21: Patients' Property**

- 21.1 NHS Ayrshire & Arran's has a responsibility to provide safe custody for money and other personal property (hereafter 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.
- 21.2 The Chief Executive shall be responsible for informing patients, or their guardians as appropriate, before or at admission that NHS Ayrshire & Arran will not accept responsibility or liability for patients' property brought into health service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 21.3 The Director of Finance will provide detailed written operating instructions on the collection, custody, investment, 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 is to administer, in any way, the property of patients.
- 21.4 The Director of Finance will ensure the completion of for SFR 19.0 Patients' Private Funds, for inclusion in the Statutory Annual Accounts.
- 21.5 NHS Ayrshire & Arran's Financial Operating Procedure contain detailed instructions on Patients' Property (FOP 06 available in the Finance Operating Procedures on Athena) and these procedures must be followed at all times.

### **Item 22: Losses, Condemnations & Special Payments**

- 22.1 Any officer discovering or suspecting a loss of any kind shall forthwith inform the relevant Head of Department, who shall immediately inform the Director of Finance. Where a criminal offence is suspected, the Director of Finance shall immediately inform the Police and thereafter follow the procedure outlined in Operating Procedure – Losses, Condemnations and Special Payments (Financial Control: Procedure Where Criminal Offences Are Suspected). (FOP 18 available in the Finance Operating Procedures on Athena)
- 22.2 The Director of Finance shall notify the Scottish Government Health and Social Care Directorates the Counter Fraud Services as well as External/Internal Audit of all frauds. The Fraud Action and Response Plan (FOP 07 available in the Finance Operating Procedures on Athena)

- 22.3 Losses are to be divided into seven categories in accordance with Annual Accounts for SFR 18.0:
- Cash losses
  - Claims abandoned
  - Stores losses
  - Losses of furniture & equipment and bedding & linen in circulation
  - Compensation payments (made under legal obligation)
  - Ex-gratia payments
  - Damage to buildings and fixtures
- 22.4 All articles surplus to requirements or unserviceable shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Board Chief Executive.
- 22.5 The condemning officer will satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who shall take the appropriate action.
- 22.6 The Director of Finance will 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.
- 22.7 Financial limits of NHS Board's delegated powers for write-offs and special payments are detailed in Annual Accounts Form SFR 18.1.
- 22.8 No special payments exceeding the delegated limits laid down and subsequent amendments thereto shall be made without prior Scottish Government Health and Social Care Directorates approval.
- 22.9 The NHS Board shall formally approve the writing-off of losses. The Board shall delegate its day-to-day responsibility for the actioning of write-offs and authorisation of special payments to the Chief Executive and Director of Finance, acting jointly, for such categories or values of losses as the NHS Board may determine. For settlement agreements, the approval of the Scottish Government is required for all such payments, regardless of value.
- 22.10 The Director of Finance will be authorised to take any necessary steps to safeguard the NHS Board's interest in bankruptcies and company liquidations.
- 22.11 NHS Ayrshire & Arran's Operational Procedures contain detailed instructions on Condemnations, Losses and Special Payments and these procedures must be followed at all times.

### **Item 23: Information Technology**

- 23.1 The Director of Finance will be primarily responsible for the accuracy and security of the computerised financial data of the NHS Board and the design, implementation and documentation of effective financial information systems.



- 23.2 The Director of Infrastructure and Support Services will devise and implement any necessary procedures to protect the NHS Board and individuals from inappropriate use, or misuse, of any financial and other information held on computer files, for which the Director of Finance is responsible, after taking account of the Data Protection Act 1984 and the Computer Misuse Act 1990.
- 23.3 The Director of Finance will ensure that adequate data controls exist to provide for security of financial applications during data processing, including the use of any external agency arrangements.
- 23.4 The Director of Finance must be satisfied that such computer installation and application audit checks as may be considered necessary are being carried out.
- 23.5 The Director of Finance will ensure that contracts for computer services for financial applications within an NHS Board, or any other agency, will clearly define the responsibilities for all parties for the security of data during processing and transmission.
- 23.6 It will be the responsibility of line managers to notify NHS Ayrshire & Arran's Data Protection Officers of any changes in the use of personal data processed electronically, or otherwise, in their area of responsibility. It will then be the responsibility of these officers to notify the Data Protection Registrar of these changes.
- 23.7 The Director of Infrastructure and Support Services will produce and maintain guidelines relating to PC Back Up and Security Procedures which shall be issued and adhered to by all staff. It shall be the responsibility of line managers to ensure that all appropriate staff receive a copy of these guidelines.
- 23.8 The Director of Infrastructure and Support Services will produce a contingency plan to ensure the maintenance of service in the event of a major system breakdown. The Director of Infrastructure and Support Services shall ensure adequate controls exist in relation to access and safeguarding of all hardware and software.
- 23.9 The Director of Finance will 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 another NHS Board or any other agency, assurances of adequacy will be obtained from them prior to implementation.
- 23.10 Where computer systems have an impact on corporate financial systems, the Director of Finance in conjunction with the Director of Infrastructure and Support Services will ensure that:
- systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
  - data produced for use with financial systems is adequate, accurate, complete and timely and that a management (audit) trail exists;
  - the Director of Finance staff have access to such data

23.11 The Director of Finance will ensure that such computer audit reviews as he may consider necessary are being carried out.

#### **Item 24: Endowment Funds**

- 24.1 Within this section of Standing Financial Instructions Endowment Funds are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the National Health Service. The Endowment Fund is recognised by the Inland Revenue as a Scottish Charity. The charity is administered under the terms of sections 82, 83 and 84a of the National Health Service (Scotland) Act 1978. The members of the Board shall be the Trustees for the charity. The Trustees shall comply with the Charities and Trustee Investment (“Scotland”) Act 2005 with respect to any proposed changes to the governance or management of the charity.
- 24.2 The foregoing sections of these Standing Financial Instructions shall apply equally to endowment funds as to other funds except that expenditure from Endowment Funds shall be restricted to the purpose(s) of the Endowment.
- 24.3 The Endowment Fund will be held separately from the Exchequer Funds and will be accounted for separately by the Trustees. The Director of Finance will be responsible for the preparation of Annual Accounts for the Endowment Fund and those will be subject to audit each year, within the timescale required. The Auditor of the Endowment Fund will be decided on by the Trustees. The Audited Annual Accounts will be prepared and distributed as required (including a copy to the Inland Revenue).
- 24.4 The Director of Finance will maintain such accounts and records as may be necessary to record and protect all transactions and funds of NHS Ayrshire & Arran as Trustees of non-exchequer funds, including an Investments Register.
- 24.5 The Director of Finance will open bank accounts in the name of Ayrshire and Arran Health Board Endowment for the purpose of controlling income and expenditure.
- 24.6 All share and stock certificates and property deeds will be deposited either with the charity fund appointed investment manager or in a safe, or a compartment within a safe, to which only the Director of Finance will have access.
- 24.7 The Director of Finance will prepare a Charter and detailed procedural procedures concerning the receiving, recording, investment and accounting for charity funds. See link to NHS Ayrshire & Arran Endowment Funds Charter and Standing Orders [here](#). The NHS Ayrshire & Arran Endowment Funds Operating Procedure is available on request. More information is available on the Endowment Fund [web page](#)
- 24.8 All gifts accepted will be received and held in the name of NHS Ayrshire & Arran Endowment Fund and administered in accordance with NHS Ayrshire & Arran’s policy, subject to the terms of any specific legacies. As NHS Ayrshire & Arran can accept gifts only for all or any purposes relating to the Health Service, officers shall, in cases of doubt, consult the Director of Finance before accepting any gifts.

- 24.9 The Director of Finance will be required to advise the NHS Board on the financial implications of any proposal for fund raising activities, which NHS Ayrshire & Arran may initiate, sponsor or approve.
- 24.10 The Director of Finance will be kept informed of all enquiries regarding legacies and shall keep an appropriate record. After the death of a testator, all correspondence concerning a legacy will be dealt with on behalf of the NHS Board by the Director of Finance who alone will be empowered to give an executor a discharge.
- 24.11 Expenditure of any Endowment funds will be conditional upon the item being within the terms of the appropriate Endowment or Special Fund and the procedures approved by the NHS Board.
- 24.12 Where it becomes necessary for NHS Ayrshire & Arran to obtain Grant of Probate or Confirmation of Estate, if applicable, or to make application for Grant of Letters of Administration, in order to obtain a legacy due to the NHS Board under the terms of a Will, the Director of Finance will be the Trustee's nominee for the purpose.



# Section F

## Scheme of Delegation

This section gives details and levels of delegation  
across all areas of business

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#### **Annex 1**

Scheme of Delegation Arising from Extraordinary Events

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NHS Ayrshire & Arran Integrated Services

## Item 1: Schedule of Matters Reserved for Board Agreement

### 1. Background

- 1.1 Under the proposals contained in the NHS Circular [HDL \(2003\) 11](#) 'Working Towards Single System Working', Ayrshire and Arran NHS Board will retain its focus as a board of governance, delivering a corporate approach to collective decision making based on the principles of partnership working and devolution of powers. Local leadership will be supported by delegating financial and management responsibility as far as is possible, consistent with the Board's own responsibility for governance.
- 1.2 The Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of the affairs of NHS Ayrshire & Arran. This includes compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Board has a responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in practice.
- 1.3 The Board is required to ensure that it conducts a review of its systems of internal control, including in particular its arrangements for risk management, at least annually, and to report publicly on its compliance with the principles of corporate governance codes.

### 2. Matters Reserved for Board Agreement

The following shall be reserved for agreement by the Board:

- 2.1 The Five Year Strategic Plan, Board Annual Plan, the Corporate Plan and commissioning plans.
- 2.2 All Strategic plans and those policies with resource implications of greater than £4,000,000.
- 2.3 Business plans with resource implications greater than £4,000,000.
- 2.4 Approval of the revenue and capital budgets.
- 2.5 The making, alteration and revocation of the Code of Corporate Governance including approval of the Board Standing Orders contained therein.
- 2.6 The establishment of terms of reference and reporting arrangements for all Committees acting on behalf of the Board and the determination of differences between such Committees.
- 2.7 Approval to declare a property surplus with the intention of the disposal of property assets including land.

- 2.8 The acceptance in respect of the Capital Programme Budget where the value exceeds to £5,000,000. Where the contract exceeds £5,000,000, prior approval of the full business case by the Capital Investment Group of the Scottish Government Health and Social Care Directorates must be obtained before the Board can accept the contract.
- 2.9 The acceptance of contracts in respect of the Board's Revenue where the value exceeds £4,000,000.
- 2.10 Approval of transfer of funds between budget heads including transfers from reserves and balances where the value in any one instance exceeds £4,000,000.
- 2.11 Financial and performance reporting arrangements.
- 2.12 To review the Terms of Reference and appointment of the Internal Auditors.
- 2.13 Approval of the Annual Reports and accounts.
- 2.14 The dismissal of Executive Members of the Board and other Senior Members of staff where the filling of posts concerned require the involvement of Non-Executive Members of the Board.
- 2.15 Approval of all appointments of Non-Executive Members to Committees, Steering Groups, Project Boards or if allocated a role by the Chair or Chief Executive.
- 2.16 Approval of the West of Scotland Regional Planning Group (WoSPG) Work Plans as detailed in HDL (2004) 46.
- 2.17 Approval of the Risk Management Strategy
- 2.18 Major service change which has been confirmed through Scottish Government Health and Social Care Directorates as having a major impact on patients, carers and communities following the application of the guidance contained in CEL4 (2010), Informing, Engaging and Consulting People in Developing Health and Community Care Services and the Scottish Health Council Guidance on Identifying Major Health Service Changes.

## **Item 2: Schedule of Matters Delegated to Board Executive Directors**

### **1. Interpretation**

- 1.1 Any reference to a statutory or other provision shall be interpreted as a reference amended from time to time by any subsequent legislation.
- 1.2 The Chief Executive, as Accountable Officer, can exercise delegated authority across all NHS Ayrshire & Arran services and functions. However for the purpose of this section of the Code of Corporate Governance, it will be assumed that the Chief Executive will exercise delegated authority for the services and functions at Board level.

1.3 Powers delegated to a Chief Officer in terms of this scheme may be exercised by such an officer or officers as the Chief Officer may authorise.

## 2. Chief Executive

### 2.1 General Provisions

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

- The statutory requirements and responsibilities laid upon the Chief Executive as Accountable Officer for NHS Ayrshire & Arran,
- Direction from the Scottish Government Health and Social Care Directorates,
- Current policies and decisions made by the Board,
- Within the limits of the resources available, subject to the approval of the Board,
- The Code of Corporate Governance.

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

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

### 2.2 Finance

2.2.1 Resources shall be used only for the purpose for which they are allocated, unless otherwise approved by the Chief Executive, after taking account of the advice of the Director of Finance. The Chief Executive, acting together with the Director of Finance, has delegated authority to approve the transfer of funds between budget heads, including transfers from reserves and balances, up to a maximum of £4,000,000 in any one instance. The Chief Executive shall report to the Performance Committee for formal inclusion in the minutes those instances where this authority is exercised and/or the change in use of the funds relates to matters of public interest.

2.2.2 The Chief Executive may, acting together with the Director of Finance, and having taken all reasonable action to pursue recovery, approve the writing-off of losses, subject to the limits laid down from time to time by the Scottish Government Health and Social Care Directorates.



## 2.3 Legal Matters

- 2.3.1 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 to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.
- 2.3.2 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.
- 2.3.3 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, settle claims against the Board; subject to a report thereafter being submitted to the Audit and Risk Committee.
- 2.3.4 The Chief Executive, acting together with the Director of Finance, may make ex-gratia payments, subject to the limits laid down from time to time by the Scottish Government Health and Social Care Directorates. Where ex-gratia payments are above the delegated limits, SGHSCD approval is required.
- 2.3.5 The arrangements for signing of documents in respect of matters covered by the Property Transactions Manual 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.
- 2.3.6 The Chief Executive shall have responsibility for the safekeeping of the Board's Seal, and together with the Chair or other nominated Non-Executive Member of the Board, shall have the responsibility for the application of the Seal on behalf of the Board.

## 2.4 Procurement

- 2.4.1 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.
- 2.4.2 Where post tender negotiations are required, the Chief Executive shall nominate in writing, officers and/or agents to act on behalf of the Board.
- 2.4.3 The Chief Executive, acting together with the Director of Finance, has authority to approve on behalf of the Board, the acceptance of tenders, submitted in accordance with the Board's Code of Corporate Governance, up to a value of £5,000,000 (including VAT suffered) within the limits of previously approved Revenue and Capital Budgets.
- 2.4.4 The exercise of this authority for tenders in excess of £50,000 must be included in the tender register.

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

## 2.5 Human Resources

2.5.1 The Chief Executive may appoint staff in accordance with the Board's Scheme of Delegation for the Appointment of Staff as detailed in the Code of Corporate Governance.

2.5.2 The Chief Executive may, after consultation and agreement with the Human Resources Director and the relevant officer, amend staffing establishments in respect of the number and grading of posts.

In so doing, the Director of Finance 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.

2.5.3 Any amendment must also be in accordance with the policies and arrangements relating to human resource planning, approved by the Board or Staff Governance Committee.

2.5.4 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 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.

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

2.5.6 The Chief Executive shall have responsibility for ensuring that the Board complies with Health and Safety legislation, and for ensuring the effective implementation of the Board Policies.

2.5.7 The Chief Executive may grant paid compassionate leave or unpaid special leave of absence to any employee for up to five working days. The Chief Executive may approve other paid or unpaid leave within the limits defined in the Board's Leave Policy.

## 2.6 Patients' Property

2.6.1 The Chief Executive has overall responsibility for ensuring that the Board complies with legislation in respect of patient's property. The term 'property' means all assets other than land and building (eg furniture, pictures, jewellery, bank accounts, shares and cash).

### **3. Director of Finance**

3.1 Authority is delegated to the Director of Finance to take the necessary measures as undernoted, in order to assist the Board and the Chief Executive in fulfilling their corporate responsibilities.

#### 3.2 Accountable Officer

3.2.1 The Director of Finance has a general duty to assist the Chief Executive in fulfilling their responsibilities as the Accountable Officer of the Board.

#### 3.3 Financial Statements

3.3.1 The Director of Finance 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,
- Prepare and submit for 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.

#### 3.4 Corporate Governance and Management

3.4.1 The Director of Finance 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, it's 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 and 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.

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

- Developing, promoting and monitoring compliance with the Code of Corporate Governance,
- Developing and implementing systems of internal control, including systems of financial, operational and compliance controls and risk management,
- Developing and implementing strategies for the prevention and detection of fraud and irregularity,
- Internal Audit.

3.4.3 The Director of Finance is authorised to assist the Chief Executive to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of resources and that they are working effectively. These arrangements include procedures:

- For planning, appraisal, authorisation and control, accountability and evaluation of the use of resources;

### 3.5 Banking

3.5.1 The Director of Finance is authorised to oversee the Board's arrangements in respect of accounts held in the name of the Board with the Government Banking Service, the Scottish Government Banking and Treasury Branch and nominated commercial bankers appointed by the Board.

3.5.2 The Director of Finance is authorised to establish a separate Project Bank Account for all capital building projects where the budget is over £2 million.

3.5.2 The Director of Finance will maintain a panel of authorised signatories.

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

## 4. Provisions Applicable to other Directors of the Board

### 4.1 General Provisions

4.1.1 Directors have delegated authority and responsibility, with the Chief Executive, for securing the economical, efficient and effective operation and management of their own Directorates or Departments and for safeguarding the assets of the Board.

4.1.2 Directors are authorised to take such measures as may be required in emergency situations, subject to consulting, where possible, the Chief Executive, the Chair and the Vice-Chair of the Board or relevant Committee Chair as appropriate. Such measures, that might normally be outwith the scope of the authority delegated by the Board or its Committees to the relevant Executive Director/Chief Officer, shall be reported to the Board or appropriate Committee as soon as possible thereafter.

### 4.2 Human Resources

4.2.1 Directors may appoint staff in accordance with the Board's Scheme of Delegation for the Appointment of Staff.

4.2.2 Directors may, after consultation and agreement with the Director of Human Resources or appropriate Head of Operational Human Resources, amend staffing establishments in respect of the number and grading of posts.

In so doing, the Director of Finance 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 human resource planning, approved by the Board or Staff Governance Committee.

- 4.2.3 Directors 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 is contained within approved budgets, or
  - External reimbursement of costs is to be made to the Board.
- 4.2.4 Directors 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.
- 4.3 Approval of Medical Practitioners for the purposes of the Mental Health (Care and Treatment) (Scotland) Act 2003 is delegated to the Director of Public Health.

### **Item 3: Scheme of Further Delegation Arising from Standing Orders**

#### **1. Introduction**

- 1.1 The Chief Executive has delegated authority to secure the efficient operation and management of services in accordance with the current policies of the Board, and within the limits of the resources available, subject to the approval of the Board, through Standing Financial Instructions. Any officer listed in the Scheme of Further Delegation is authorised to further delegate their authority in accordance with the Local Scheme of Delegation.
- 1.4 The Local Scheme of Further Delegation is detailed in the following tables.
- 1.5 Any changes to this Scheme of Further Delegation must be notified to the Head of Corporate Governance in writing.

**2. Scheme of Delegation arising from Standing Orders**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £m</b>	<b>Constraints/Reference</b>
2.1 <b>Maintenance of Register of Board Members Interests</b>	Chief Executive	Head of Corporate Governance	N/A	None
2.2 <b>Maintenance of Register of gifts/ hospitality and interest in contracts</b>	Chief Executive	Head of Corporate Governance	N/A	All directors have responsibility to maintain a register for their area of the business.
2.3 <b>Execution of documents on behalf of Scottish Ministers relating to property transactions</b>	Chief Executive			All signatures to be in accordance with the Property Transactions Manual
2.4 <b>Update and changes to Standing Orders</b>	Head of Corporate Governance			In accordance with DL(2019)24 Board approval required
2.5 <b>Responsibility for preparation and update of Scheme of Delegation</b>	Chief Executive	Head of Corporate Governance		Board approval required
2.6 <b>Responsibility for preparation and update of Standing Financial Instructions</b>	Director of Finance	Assistant Director of Finance		Board approval required

**3. Corporate Governance arising from Standing Financial Instructions**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £m</b>	<b>Constraints/Reference</b>
3.1 <b>System for funding decisions and business planning</b>	Director of Finance			In accordance with Standing Financial Instructions
3.2 <b>Preparation of Financial Plans</b>	Director of Finance	To be specifically nominated in event of extended absence	NHS Board Revenue Resource Limit	Approval required by NHS Board
3.3 <b>Preparation of Capital Plan</b>	Director of Infrastructure and Support Services	To be specifically nominated in event of extended absence	As per Capital Plan	Director of Finance coordinates the financial plans related to the Capital plan/budget. Approval required by NHS Board
3.4 <b>Preparation of Business Cases</b>	Chief Executive and Executive Lead as appropriate		Limit as per Capital Plan	Approval by Corporate Management Team and onward approval in accordance with capital policies and Scottish Government Health and Social Care Directorates guidance
3.5 <b>Supporting Cases up to £500,000</b>	Asset Management Planning Group		Limit as per Capital Plan	Approval by Capital Programme Management Group.

## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £m	Constraints/Reference
3.6 <b>Business Cases between £500,000 and within delegated limit of 5,000,000</b>	Capital Programme Management Group and Corporate Management Team (as required)		Limit as per Capital Plan	Approval by Performance Governance Committee
3.7 <b>Business Cases above delegated limit of £5,000,000 (both OBC and FBC approval)</b>	NHS Board and SGHSCD		Limit as per Capital Plan	Approval by NHS Board and SGHSCD and Capital Investment Group.
3.8 <b>Approval of 5 year Capital and Revenue Plans</b>	Director of Finance			Approval by NHS Board; scrutiny via Performance Governance Committee.
3.9 <b>Land purchase or sale or acquisition</b>	Chief Executive, Director of Finance			Chief Executive can sign paperwork.
3.10 <b>Management of buildings and land</b>	Chief Executive	Director of Infrastructure and Support Services		In accordance with the property transactions handbook.



## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £m	Constraints/Reference
3.11 <b>Framework Scotland</b>	NHS Board			The initial approval of whether a scheme is suitable for the application of the Framework Scotland methodology to a construction project is a decision which is reserved for Board following review by NHS Ayrshire & Arran Corporate Management Team who will scrutinise the proposal.
3.12 <b>Budget Setting for NHS Board</b>	Director of Finance	Assistant Director of Finance	Limit as set in context of agreed Financial Plan	
3.13 <b>Financial Systems and Operating Procedures</b>	Director of Finance	Assistant Director of Finance	N/A	
3.14 <b>Financial Monitoring System</b>	Director of Finance	Assistant Director of Finance		
3.15 <b>Maintenance/Operation of Bank Accounts</b>	Director of Finance	Assistant Director of Finance	N/A	Subject to appointment of Bankers by Board Subject to review of national arrangements.
3.16 <b>Annual Accounts signatories</b>	Chief Executive and Director of Finance	N/A	N/A	In accordance with Scottish Accounts Manual.

Code of Corporate Governance - Section F - Scheme of Delegation

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £m</b>	<b>Constraints/Reference</b>
3.17 <b>Audit Certificate</b>	Appointed Auditors	N/A		In accordance with Scottish Accounts Manual.
3.18 <b>Preparation of Governance Statement</b>	Chief Executive	Director of Finance	N/A	In accordance with Scottish Accounts Manual.
3.19 <b>Performance Management Reporting Arrangements</b>	Chief Executive	Director of Transformation and Sustainability		
3.20 <b>Losses and Special Payments</b>	See detailed section in Other Key Areas			Per SGHD guidance.
3.21 <b>Clinical Claims/other settlements (legal claims)</b>	Chief Executive	Director of Finance and Medical Director/ Nurse Director	Up to £250,000 for clinical claims and £100,000 for other claims	<p>Scottish Government approval is required for all clinical claims in excess of £250,000.</p> <p>Scottish Government approval is required for all other claims in excess of £100,000.</p> <p>Scottish Government approval is required for all staff settlements regardless of value.</p>
3.22 <b>Preparation of the Board Annual Plan</b>	Chief Executive	Director of Transformation and Sustainability		Supported by financial plan prepared by Director of Finance.

## Code of Corporate Governance - Section F - Scheme of Delegation

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £m</b>	<b>Constraints/Reference</b>
3.23 <b>Preparation of Corporate Objectives</b>	Chief Executive			
3.24 <b>Non Profit Distributing Capital Projects</b>	NHS Board/ Performance Governance Committee			In line with approvals process outlined table 2, see page 18.
3.25 <b>Tenders</b>	See detailed section in Other Key Areas			

**4. Audit**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £m</b>	<b>Constraints/Reference</b>
4.1 Conduct of business and stewardship of funds under Board Control	Director of Finance		In accordance with SG requirements	Audit and Risk Committee Performance Governance Committee
4.2 Provision of internal audit service	Director of Finance		In accordance with Public Sector internal audit standards	Audit and Risk Committee onward allocation to governance committees for monitoring of internal audit actions and delivery
4.3 Appointment of internal auditors	Director Finance			Audit and Risk Committee recommendation to NHS Board for approval
4.4 Audit Plans for approval	Director of Finance			CMT input Audit and Risk Committee recommendation to NHS Board for approval
4.5 Liaison with external auditors for the NHS AA annual accounts and monitoring of external audit actions	Director of Finance			Independent appointment by Auditor General Scotland in accordance with Audit Code of Practice
4.6 Review internal control arrangements including Standing Orders, SFIs, Scheme of Delegation, Corporate governance improvement plans	Director of Finance			Audit and Risk Committee recommendation to NHS Board for approval regarding signing of Governance Statements and Code of Corporate Governance.

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £m	Constraints/Reference
4.7 Internal control arrangements – Monitoring of delivery of corporate governance improvements	Chief Executive Director of Finance			Audit and Risk Committee
4.8 Counter fraud oversight	Director of Finance			Audit and Risk Committee

**5. Healthcare Governance**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
5.1 Preparation of Healthcare Quality Improvement Plan	Nurse Director	<del>Deputy Nurse Director</del> Director of Clinical and Care Governance	N/A	Healthcare Governance Committee
5.2 Approval of research and development studies including associated clinical trials and indemnity agreements for commercial studies	Medical Director		N/A	Ethics Committee approval required
5.3 Preparation of Healthcare Governance Internal Scrutiny Plan	Nurse Director	<del>Deputy Nurse Director</del> Director of Clinical and Care Governance		Healthcare Governance Committee

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
5.4 Preparation and approval of Patients Complaints Policy and procedure as per model CHP	Nurse Director	<del>Deputy Nurse Director</del> Director of Clinical and Care Governance	N/A	Healthcare Governance Committee
5.5 Monitoring arrangements and reporting of patients complaints and feedback including trends and learning	Nurse Director	<del>Deputy Nurse Director</del> Director of Clinical and Care Governance	N/A	Healthcare Governance Committee
5.6 Compliance and adherence to national standards in healthcare acquired infection	Nurse Director	<del>Associate Nurse Director</del> <del>Infection Prevention and Control</del> Director of Infection Prevention and Control		Healthcare Governance Committee and onwards to NHS Board as Board has oversight of HAI
5.7 Compliance and adherence to national standards in decontamination	Nurse Director	<del>Associate Nurse Director</del> <del>Infection Prevention and Control</del> Director of Infection Prevention and Control		Link to Healthcare Governance and Prevention and Infection Control Committee

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
5.8 Provision of a Public Protection Service and delivery of a governance and accountability framework and required policies and procedures	Nurse Director			Legislation for both Child Protection and Adult Support and Protection  Links to Integrated Governance for Corporate Parenting/UNCRC
5.9 Oversight of relevant Corporate Strategies as delegated by the Board	Nurse Director and Medical Director			Healthcare Governance Committee
5.10 Oversight of relevant risks allocated by the Audit and Risk Committee, reviewing risk identification, assessment and mitigation in line with the NHS Boards risk appetite and escalating as appropriate	Nurse Director and Medical Director			Healthcare Governance Committee
5.11 Oversight of internal audit reports and recommendations allocated by the Audit and Risk Committee, reviewing progress of recommendations to timescales	Nurse Director and Medical Director			Healthcare Governance Committee

**6. Performance Governance**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
6.1 Regular performance management oversight through the Performance Management report (SG performance indicators and local Annual Plan)	Director of Transformation and Sustainability		N/A	Aligned with required SG performance Indicators and Annual Plan  Directors responsible for aligned performance areas  Performance Governance Committee scrutiny for onward reporting to NHS Board
6.2 Review of financial plans, annual budget proposals, capital plan and business cases	Director of Finance  Executive Lead Directors			Performance Governance Committee recommendation to NHS Board for approval
6.3 Review of delivery against financial plans	Director of Finance			Aligned with required SG performance  Performance Governance Committee scrutiny for onward reporting to NHS Board
6.4 Scrutiny and challenge on the progress and achievement of the Transformational Change Programme (Caring for Ayrshire/Whole System Plan)	Director of Transformation and Sustainability			Performance Governance Committee
6.5 Oversight of relevant Corporate Strategies as delegated by the Board	Director of Finance	Lead for subject matter		Performance Governance Committee



## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
6.6 Oversight of relevant risks allocated by the Audit and Risk Committee, reviewing risk identification, assessment and mitigation in line with the NHS Boards risk appetite and escalating as appropriate	Director of Finance			Performance Governance Committee
6.7 Oversight of internal audit reports and recommendations allocated by the Audit and Risk Committee, reviewing progress of recommendations to timescales	Director of Finance			Performance Governance Committee

**7. Staff Governance**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
7.1 Implementation of Staff Governance Standards	HR Director	Deputy HR Director		
7.2 Preparation of Human Resources policies and procedures	HR Director	Deputy HR Director		Does not apply to national Once for Scotland policies Approval required through Area Partnership Forum.
7.3 Preparation of Contracts of Employment	HR Director	Head of Resourcing and Planning		Compliance with current legislation and agreed terms and conditions.

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
7.4 Executive and Senior Manager pay – implementation of terms and condition/performance pay	HR Director	Deputy HR Director		Compliance with current legislation and agreed terms and conditions. Approval of Remuneration Committee required.
7.5 Preparation of Whistleblowing guidance in support of national policy	Nurse Director	Head of Corporate Governance		Compliance with current legislation and National Whistleblowing Standards
7.6 Monitoring arrangements and reporting of whistleblowing concerns to meet legislation	Nurse Director	Head of Corporate Governance		Staff Governance Committee onwards to NHS Board
7.7 Workforce plan and Culture framework/plan	Human Resources Director	Deputy HR Director		Staff Governance Committee onwards to NHS Board for approval
7.8 Staff elements of Equality Legislation	Human Resources Director	Deputy HR Director		Staff Governance Committee
7.9 Oversight of Equality Scheme as per legislation	Human Resources Director/Nurse Director	Equality and Diversity Adviser		CMT Staff Governance Committee Healthcare Governance Committee onward to NHS Board for oversight
7.10 Safe Staffing legislation	Human Resource Director/Nurse Director/Medical Director			CMT to Staff Governance Committee onwards to NHS Board for oversight
7.11 Health and Safety oversight of legislative requirements	HR Director			Area Partnership Forum and Staff Governance Committee

## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
7.12 Oversight and approval of relevant Health and Safety policies	Human Resources Director	Lead for Occupational Health and Safety		Health safety and wellbeing committee Area Partnership Forum Staff Governance Committee
7.13 Oversight of relevant Corporate Strategies as delegated by the Board	Human Resources Director	Lead for subject matter		Staff Governance Committee
7.14 Oversight of relevant risks allocated by the Audit and Risk Committee, reviewing risk identification, assessment and mitigation in line with the NHS Boards risk appetite and escalating as appropriate	Human Resources Director			Staff Governance Committee
7.15 Oversight of internal audit reports and recommendations allocated by the Audit and Risk Committee, reviewing progress of recommendations to timescales	Human Resources Director			Staff Governance Committee

**8. Information Governance**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
8.1 Responsibility for Information Management Systems & Strategy	Director of Infrastructure and Support Services	Assistant Director of eHealth & Infrastructure		
8.2 Clinical Responsibility for IM&T Strategy	Medical Director	Clinical Lead for eHealth		
8.3 Data Protection Act	Medical Director			Information Governance Committee
8.4 Caldicott Guardian	Medical Director			Information Governance Committee
8.5 Freedom of Information Policy	Medical Director			Information Governance Committee
8.6 Records management plan	Medical Director	Information Governance Manager (Corporate Records)		Information Governance Committee
8.7 Oversight of relevant Corporate Strategies as delegated by the Board	Medical Director	Lead for subject matter		Information Governance Committee
8.8 Oversight of relevant risks allocated by the Audit and Risk Committee, reviewing risk identification, assessment and mitigation in line with the NHS Boards risk appetite and escalating as appropriate	Medical Director or Director or Infrastructure and Support Services			Lead Director dependent on subject matter Information Governance Committee
8.9 Oversight of internal audit reports and recommendations allocated	Medical Director or Director or			Lead Director dependent on subject matter

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
by the Audit and Risk Committee, reviewing progress of recommendations to timescales	Infrastructure and Support Services			Information Governance Committee

**9. Integrated Governance**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
9.1 Consideration of cross-Board governance matters that do not align to a specific governance committee	Chief Executive			Integrated Governance Committee
9.2 To ensure a joined up approach to governance in developing CFA as the Board's strategic aim	Chief Executive and Director of Transformation and Sustainability			Integrated Governance Committee in conjunction with Performance Governance for monitoring of delivery
9.3 Monitor delivery of Community wealth building programme	Director of Transformation and Sustainability			Integrated Governance Committee with onward Annual Report to NHS Board
9.4 Organisational resilience delivery to national standards and legislative requirements	Director of Public Health			Integrated Governance Committee
9.5 Corporate Parenting and UNCRC legislative requirements	Nurse Director Director Public Health			Integrated Governance Committee Strategy approval by NHS Board
9.6 Oversight of relevant Corporate Strategies as delegated by the Board	Chief Executive Appropriate Executive lead	Lead for subject matter		Integrated Governance Committee

## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
				Annual reporting to Board as required
9.7 Oversight of relevant risks allocated by the Audit and Risk Committee, reviewing risk identification, assessment and mitigation in line with the NHS Boards risk appetite and escalating as appropriate	Chief Executive Appropriate lead executive	Medical Director		Integrated Governance Committee
9.8 Oversight of internal audit reports and recommendations allocated by the Audit and Risk Committee, reviewing progress of recommendations to timescales	Chief Executive Appropriate lead executive	Appropriate Lead Executive		Integrated Governance Committee

**10. Risk Management**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
10.1 Preparation of Risk Management Strategy	Medical Director	Director of Clinical and Care Governance	N/A	NHS HIS Clinical Governance and Risk Management Standards. Risk and Resilience Scrutiny and Assurance Group to Audit and Risk Committee onwards to NHS Board for approval

## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
10.2 Preparation and Management of Corporate Risk Register	Medical Director	Director of Clinical and Care Governance	N/A	NHS QIS Clinical Governance and Risk Management Standards  Following delegation of relevant risks to Governance Committees for review at Audit and Risk Committee – onward to the Board for oversight twice annually
10.3 Risk Appetite	Medical Director	Director of Clinical and Care Governance	NA	Risk and Resilience Scrutiny and Assurance Group to Audit and Risk Committee onwards to NHS Board for approval

**11. Access**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
11.1 Waiting Times	Director of Acute Services			Within overall budgetary limits.
11.2 Public Information on access to services	Chief Executive		N/A	
11.3 Procedure for patients who wish to appeal against clinical decisions on their continuing care	Medical Director	Associate Medical Director	N/A	CEL 6(2008).

**12. Patient Focus Public Involvement**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
12.1 Designated Director for patient public focused public involvement	Nurse Director	Deputy Nurse Director		Healthcare Governance Committee
12.2 Compliance with guidelines on Chaplaincy and Spiritual Care strategy implementation	Nurse Director	Director Allied Health Professionals		

**13. Health Protection and Promotion**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
13.1 Health Promotion and Health Improvement Strategies	Director of Public Health			
13.2 Public Health information dissemination	Director of Public Health			
13.3 Preparation of Joint Health Protection Plan	Director of Public Health			
13.4 Surveillance and assessment of the population's health and well-being	Director of Public Health			



**14. Emergency and Continuity Planning**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
14.1 Preparation and maintenance of a comprehensive Emergency Plan	Director of Public Health		N/A	
14.2 Preparation and maintenance of Business Continuity Plans	Director of Public Health		N/A	All directors have responsibility for their area of the business.
14.3 Annual report on Organisation resilience	Director of Public Health		N/A	Integrated Governance Committee

**15. Scheme of Delegation – Other key areas**

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
15.1 Service Level Agreements Patient Services	Assistant Director – Planning and Commissioning			
15.2 All patient services that are required are available	Chief Executive and Director of Finance			
15.3 Approval of Exceptional Referrals including Non Contracted Activity and Unplanned Activity	Medical Director	Associate Medical Director and Head of Risk Management		Where other agreements do not exist, must be within the budgets approved by the Board.  The Medical Director chairs the Exceptional Referral Panel which meets to approve all cases.
15.4 Waiting list initiative agreements with private providers	Chief Executive			
15.5 Resource Transfer Agreements	Chief Executive	Director of Finance		In accordance with appropriate guidance.
15.6 Regional Planning Group Decisions	Chief Executive			* See note below
15.7 Patients Travel including ex gratia claims	Director of Finance			In line with NHS travel scheme and local policy.
15.8 Delegation of Budgets	Director of Finance			
15.9 Delegation of directorate budgets	Directors	Designated Officers		With the approval of the Director of Finance.

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
15.10 Virement of Budget between approved Operational Budgets	Budget holder's discretion and in agreement of the relevant director and Director of Finance		Budget Holder £30,000 Director £50,000	
15.11 Virement of Budget	Chief Executive/ Corporate Management Team		£4,000,000	The Director of Finance has overall responsibility for authorising virements between budget headings following approval of the financial plan by the Board.
15.12 Operation of Bank Accounts and Funds	Director of Finance	Assistant Director of Finance (Governance and Shared Services)		
15.13 Operation of bank accounts and detailed financial systems	Director of Finance	Assistant Director of Finance (Governance and Shared Services)		
15.14 Authorised bank signatories	Director of Finance	Designated Officers		Additions to the list of authorised signatories require authorisation of the Audit and Risk Committee. The Director of Finance may delete all or part of an authorised signatory list.

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
<p>15.15 Payment signatories</p> <p>Managers need to consider carefully the financial limits assigned to individual members of staff. When assigning financial limits it must be noted that the line manager may not delegate his/her authority; a member of staff may not be authorised to sign a level the same or higher than their line manager. Please also follow the following guidelines for financial limits.</p>	<p>Various see across</p>		<p>Chief Executive - £250,000</p> <p>Directors - £100,000</p> <p>Direct Reports to Director - £50,000</p> <p>Senior Managers - £20,000</p> <p>Other staff up to a maximum £5,000 i.e. this should be scaled.</p>	<p>Invoices between £100,000 and £250,000 should be signed by the appropriate Director and countersigned by either the Director of Finance or the Chief Executive. Invoices over £250,000 should be signed by the appropriate Director and countersigned by the Director of Finance and the Chief Executive.</p> <p>Where the organisation has a long term commitment to pay monthly or quarterly amounts (for Private Finance and capital contracts or resource transfer to Local Authorities or Service Level Agreements with other Health Boards) the authorisation control is in entering into the contract and the subsequent payments in line with the contract do not require to be authorised in line with the above limits. The authorising officer is required to confirm that the payment is in line with the contract.</p>

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
15.16 Response to emergency situation / major incident	Chief Executive		£1,000,000	
15.17 Setting of Fees and Charges Private patients, overseas visitors, income generation and other patient related services.	Chief Executive and relevant Director			
15.18 Management of non-exchequer funds (endowments)	Director of Finance	Assistant Director of Finance (Governance and Shared Services)		Endowment Trustees and Endowment Committee approval in line with Charter and Operating Procedure.
15.19 Ordering of Supplies/Goods				
15.20 Lease Car Contracts	Assistant Director of Clinical Support Services	Head of Clinical Support Services (South)		Transport Manager signs off lease car value for money as compared to travel.
15.21 Equipment Maintenance Contracts	Budget holder			Subject to containment within delegated budget.
15.22 PFI/PPP arrangements/ operating leases for equipment and vehicles	Chief Executive Director of Finance Budget holder			In all cases option appraisal, VFM and affordability calculation must be completed in accordance with appropriate guidance.
15.23 Equipment Purchase Contracts	Director of Finance			All equipment must be agreed as part of the equipment replacement programme through local CIG. Emergency replacements can be agreed by the Director of Finance.

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
15.24 Property Leases	Chief Executive or Director of Finance	Director of Infrastructure and Support Services		All property leases must be considered and approved by local CIG.
15.25 Funding Offers for GP premises developments (reimbursement)	Medical Director			
15.26 GP Improvement Grants	Medical Director		Grants up to £10k to be agreed by Assistant Director of Finance  In excess of £5k by PCCMB	Grants must be within budgetary limits.
15.27 Contracts for the supply of service by NHS Ayrshire & Arran to non NHS organisations	Directors and Healthcare Managers		Directors £50,000 General Managers £25,000	
15.28 Computerised financial data	Director of Finance	Assistant Director of Finance (Governance and Shared Services)		
15.29 Insurance	Director of Finance	Assistant Director of Finance (Governance and Shared Services)		CNORIS and all other insurance matters.
15.30 Car Lease Scheme	Director of Infrastructure and Support Services	Assistant Director of Clinical Support Services		

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
15.31 Prescribing Policies	Medical Director	Director of Pharmacy	N/A	As per resource constraints of Prescribing Management Board.
15.32 Fire Safety	Chief Executive	Assistant Director of Estates & Capital Planning as Designated Officer (Fire)	N/A	

\*The Chief Executive will have authority (which may be delegated on a case by case basis) to commit the Board to the decisions of a Regional Planning Group acting in accordance with HDL (2004)46 and its own agreed constitution and procedures. In exercising this authority, the Chief Executive will, wherever possible:

- Bring to the Board, in advance of a Regional Planning Group decision, any issue which, had it been a purely local issue, would be of such financial magnitude or service impact, that it would have been a decision reserved for the Board. This is to ensure that on matters of strategic importance, the views of the full Board can be represented, via the Chief Executive, to the Regional Planning Group.
- Communicate to the next available Board any Regional Planning decision which cannot be covered by approved budgets or reserves.

**16. Scheme of Delegation - Tenders (SFIs)**

For current World Trade Organisation's Government Procurement Agreement (WTO/GPA) thresholds please refer to the following weblink: [www.gov.scot/publications/procurement-threshold-values](http://www.gov.scot/publications/procurement-threshold-values)

<b>Area of Responsibility/Duties Delegated</b>	<b>Delegated to/ Lead Director</b>	<b>Authorised Deputy</b>	<b>Financial Value £'m</b>	<b>Constraints/Reference</b>
16.1 Issue of tender documents/mini-competition documents - over WTO/GPA Threshold		Contract Implementation and Compliance Manager Procurement and Systems Manager	All	
16.2 Issue of tender documents/mini-competition documents – under WTO/GPA Threshold.	Head of Capital Planning Head of Estates Head of Medical Physics	Senior Project Manager Capital Planning Project Manager Capital Planning Estates Manager Estates Officer Area Technical Manager	Under WTO/GPA Threshold	
16.3 Return of tender documents/mini-competition documents over WTO/GPA Threshold	Head of Procurement	Contract Implementation and Compliance Manager Procurement and Systems Manager		Secure arrangements for receiving storing and opening tender documents.
16.4 Return of tender documents/mini-competition documents – under WTO/GPA Threshold	Head of Capital Planning	Senior Project Manager Capital Planning	Under WTO/GPA Threshold	



## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
	Head of Estates Head of Medical Physics	Project Manager Capital Planning Estates Manager Estates Officer Area Technical Manager		
16.5 Recommendation for acceptance - over WTO/GAP Threshold	Head of Procurement			
16.6 Recommendation fo acceptance – under WTO/GPA Threshold	Head of Capital Planning Head of Estates Head of Medical Physics	Senior Project Manager Capital Planning Project Manager Capital Planning Estates Manager Estates Officer Area Technical Manager		
16.7 Authorise post tender negotiation	Chief Executive and Director of Finance	Head of Procurement	All	Tender documents must state that a Post Tender Negotiation may be undertaken
16.8 Undertake post tender negotiation	Head of Procurement Services	Contract Implementation and Compliance Manager	All	

## Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
		Procurement and Systems Manager Head of Capital Planning Head of Estates Head of Medical Physics		
16.9 Awarding and Signing of a Contract - over WTO/GPA Threshold	Chief Executive Director of Finance		Over WTO/GPA Threshold	
16.10 Awarding and Signing of a Contract – under WTO/GPA Threshold	Relevant Director		Under WTO/GPA Threshold	

**17. Scheme of Delegation - Losses and Special Payments (SFIs)**

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
17.1 Losses and Special Payments – Medical or Clinical Negligence, Employer's / Public Liability, Commercial Cases	Chief Executive, Director of Finance		Clinical - £50,000 Medical Director, or Nurse Director £100,000 – two Directors >£100,000 – Chief Executive	Any payments of legal (compensation) claims made by patients/staff of personal or other injury should only be authorised by the Chief Executive within these delegated limits on the recommendation of the

Code of Corporate Governance - Section F - Scheme of Delegation

Area of Responsibility/Duties Delegated	Delegated to/ Lead Director	Authorised Deputy	Financial Value £'m	Constraints/Reference
			Employer's / Public Liability - £50,000 Human Resources or Nurse Director £100,000 – two Directors >£100,000 – Chief Executive Commercial - £25,000 Director of Finance, or Assistant Director of Finance	Central Legal Office. Such payments must be reported to the next available Board meeting after the payment is authorised.
17.2 Losses and Special Payments – General	SGHSCD (notified to Audit and Risk Committee)		Clinical >£250,000 Non Clinical >£100,000 Other >£25,000	Losses and special payments above these delegated limits must be referred to the Board's Audit and Risk Committee and also seek approval from the SGHSCD.

## **Item 4: Health and Social Care Integration: Integration Joint Boards**

Along with the respective Council, NHS Ayrshire & Arran has established three Integration Joint Boards (IJBs) in Ayrshire and Arran covering the Local Authority boundaries of East, North and South Ayrshire.

On 30 March 2015 the NHS Board approved a local Scheme of Delegation which details what NHS Ayrshire & Arran has delegated to the IJBs in addition to the duties and responsibilities on IJBs.

Under statutory provision, the IJBs have the following remit:

- a to prepare and implement a Strategic Plan in relation to the provision of health and social care services;
- b to oversee the delivery of services delegated by the parties in pursuance of the Strategic Plan; and
- c to allocate and manage the delegated budget in accordance with the Strategic Plan.

This remit focuses on the statutory responsibilities of IJBs which cover the planning of Integrated Services and directing the Parties (the NHS Board and Council) to deliver services in accordance with the Strategic Plan.

As the national Model Integration Scheme makes clear, in addition to legislative requirements:

“Scottish Ministers expect the Parties will make the Integration Joint Board (or its membership) operationally responsible for delivery in addition to the planning responsibilities placed upon the Integration Joint Board by the Act to ensure planning and delivery are fully integrated.”

This Scheme of Delegation from the NHS Board to the IJBs provides a clear basis for IJBs to fulfil their role as integrated service delivery vehicles.

The Scheme of Delegation makes provision for delegation of management functions to each Chief Officer (known locally as the Director of Health and Social Care) and for scrutiny of overall governance arrangements to the IJB. The list of NHS services covered by these delegated arrangements are detailed in Annex 3.

The NHS Board has an overall duty to put in place devolved systems of decision making. This duty carries a responsibility to ensure that local services are provided as efficiently and effectively as possible within the resources available. As far as IJBs are concerned, duties to manage and deliver services to a defined standard on behalf of the NHS Board are devolved to each Director of the Health and Social Care who have the necessary autonomy and accountability within the Scheme of Delegation.

The NHS Board is also the ultimate governance body for NHS Ayrshire & Arran. Along with the delegation of management and service functions to the relevant Director, it devolves associated overall governance functions to the IJBs. It is acknowledged that the IJB has legislative governance responsibilities in accordance with its remit and it is the

responsibility of the IJB to design appropriate governance arrangements to fulfil these responsibilities.

In designing governance arrangements to meet the IJB's statutory responsibilities, the NHS Board request that these also allow the IJB to fulfil the overall delegated governance functions. This delegation is contingent on the NHS Board being satisfied that such arrangements are sufficient to allow the NHS Board to place reliance on them. As part of this process, the NHS Board will ensure compliance with its Code of Corporate Governance as appropriate. This also ensures that such arrangements as the IJB puts in place are compliant with the provisions made in the Integration Scheme. In addition, in accordance with the NHS Board's integrated governance arrangements, the NHS Board member who is Chair or Vice Chair of the IJB will also be invited to attend the NHS Board's Integrated Governance Committee.

In undertaking their delegated functions, the Director of Health and Social Care and IJB are required to have regard to a number of obligations placed on the NHS Board through statute and Scottish Government direction as follows:

<b>A</b>	<b>Healthcare Governance</b>
	The NHS Board Chief Executive's responsibility for clinical governance, quality, patient safety and engagement is delegated to each Director of Health and Social Care. Each Director and their IJB are required to establish appropriate arrangements to fulfil those responsibilities and scrutinise their discharge. These arrangements link to NHS Board wide support and reporting arrangements including the systems for reporting of serious clinical incidents as required by the NHS Board's Medical and Nurse Directors. Each IJB is required to provide assurance to the NHS Board's Healthcare Governance Committee on effective operations of their healthcare governance arrangements and each Director of Health and Social Care will be required to attend the NHS Board's Healthcare Governance Committee as required.
<b>B</b>	<b>Corporate Governance</b>
	The NHS Board Chief Executive's responsibility for corporate governance is delegated to each Director of Health and Social Care. Each Director and their IJB are required to have appropriate arrangements to fulfil those responsibilities and scrutinise their discharge. These arrangements must ensure financial management within allocation and delegation of budgets and probity in accordance with the NHS Board's Standing Financial Instructions and Standing Orders and compliance with the regulations on recording losses and regulation on making ex-gratia payments. They must also comply with regulations addressing other aspects of corporate governance including the Data Protection Regulations, the Freedom of Information (Scotland) Act and wider Information Governance requirements. They must also ensure best value in all Health and Social Care Partnership operations. The IJB is required to provide assurance to the NHS Board's Audit and Risk Committee on the effective operation of their corporate governance arrangements and each Director of Health and Social Care will attend the NHS Board's Audit and Risk Committee as required.

<b>C</b>	<b>Staff Governance</b>
	<p>The NHS Board Chief Executive's responsibility for staff governance is delegated to each Director of Health and Social Care. Each Director and their IJB are required to establish appropriate arrangements to fulfil those responsibilities and scrutinise their discharge. The NHS Board remains the employer for all NHS staff within Health and Social Care Partnerships and therefore the IJB must scrutinise compliance with staff governance and related requirements including partnership working. Whilst the NHS Board's Area Partnership Forum retains its role in relation to all NHS staff, the IJB are expected to have appropriate arrangements for partnership working within the NHS Board's overall framework. The Health and Social Care Partnership have implemented the NHS Board's HR policies including arrangements for the appointment, removal, remuneration, grievances, disciplinary action, training and development of staff within the approved budget. The IJB are required to provide assurance to the NHS Board's Staff Governance Committee on the effective operation of their staff governance arrangements and each Director of Health and Social Care attends the NHS Board's Staff Governance Committee as required.</p>

An Ayrshire and Arran Integrated Health and Care Governance Framework has been developed to ensure:

- (a) the Directors of Health and Social Care and IJBs are supported to develop integrated governance arrangements;
- (b) these arrangements are subject to scrutiny by the NHS Board to ensure reliance can be placed upon them;
- (c) there is adequate communication between the IJB's arrangements and the NHS Board's governance committees; and
- (d) (a), (b) and (c) above allow the NHS Board's governance committees to take a system wide view of governance and provide assurance on the effectiveness of these arrangements to the NHS Board.

### **Scheme of Delegation arising from Extraordinary Events**

Where an urgent decision is required that cannot, without loss to the organisation, wait until the next Board but is outwith the normal delegated limits, the Chief Executive will consult with the Board Chair. The Board Chair, having regard to the materiality of the issue will recommend one of the following courses of action:

- call a Special Board meeting or,
- telephone consultation with the required number of Board members or,
- Board Chair's action on the matter.

Where a decision is reached either through Board chair's action or telephone consultation with a limited number of Board members the matter will be presented to the next available Board for ratification.

## Integrated NHS Ayrshire & Arran Services

- Accident and Emergency
- General Medicine
- Geriatric Medicine
- Rehabilitation Medicine
- Respiratory Medicine
- Palliative Care
- All Community Hospitals (Arran, Lady Margaret, Biggart, Girvan, East Ayrshire Community Hospital, Continuing Care wards at Woodland View and Ayrshire Central Hospital)
- All Mental Health Inpatients Services (including Addictions), Psychiatric Medical Services, Eating Disorders, Forensic, Crisis Resolution and Home Treatment Team, Liaison (Adult, Elderly Learning Disabilities and Alcohol, Advanced Nurse Practitioner Services)
- Community Nursing (District Nursing)
- Community Mental Health, Addictions and Learning Disabilities (Community Mental Health Teams, Primary Care Mental Health Teams, Elderly, Community Learning Disability Teams, Addictions Community Teams)
- Allied Health Professionals
- Public Dental Services
- Primary Care (General Medical Services; General Dental Services, General Ophthalmic Services, Community Pharmacy)
- NHS Ayrshire & Arran Urgent Care Service (AUCS)
- Older People
- Palliative Care provided outwith a hospital
- Learning Disabilities Assessment and Treatment Services
- Psychology Services
- Community Continence Team
- Kidney Dialysis Service provided outwith a hospital
- Services provided by health professional which aim to promote public health
- Community Children's Services (School Nursing, Health Visiting, Looked after Children's Service) [non medical]
- Community Infant Feeding Service
- Child and Adolescent Mental Health Services
- Child Health Administration Team
- Area Wide Evening Service (Nursing)
- Prison Service and Police Custody services
- Family Nurse Partnership
- Immunisation Service
- Telehealth and Unite



# **Section G**

## **Risk Management**

This section explains how NHS Ayrshire & Arran staff will manage risks that affect the organisation.

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- Item 1: Statement of Intent**
- Item 2: Purpose**
- Item 3: Approach to Risk Management**
- Item 4: Organisational Responsibility and Accountability**
- Item 5: Risk Appetite**
- Item 6: Performance Management**
- Item 7: Learning and Development**

## Item 1: Statement of Intent

NHS Ayrshire and Arran believes that effective risk management will provide a safer environment and better care for patients and, will help the organisation to capitalise on opportunities and fulfil its corporate objectives in the short and longer term. The Board is committed to making risk management a core organisational process and ensuring that it becomes an integral part of our philosophy, practices and business planning and that responsibility for implementation is accepted at all levels of the organisation.

NHS Ayrshire and Arran acknowledges that providing health services is an inherently risky business and that risk can bring with it positive advantages, benefits and opportunities. The Board does not therefore aim to create a risk-free environment, but rather one in which risk is considered as a matter of course and appropriately identified and controlled.

We will ensure that risk management is embedded into NHS Ayrshire and Arran's vision and organisational culture; existing governance policies; and planning, reporting and decision-making structures at both the strategic and operational levels. We believe that organisations who integrate risk management have a greater likelihood of achieving strategic objectives and delivering services efficiently and effectively.

The Board also recognises the importance of involving local stakeholders in its risk management processes and of working in partnership to identify, prioritise and control shared risks.

NHS Ayrshire and Arran's risk management seven Objectives for 2023 to 2026 are to:

1. Ensure the completion of robust reviews of all adverse events to enhance timeous learning and outputs for those involved in the review;
2. Continual improvement and development of effective training and support for colleagues in relation to risk management activities, through a Human Factors approach;
3. Ensure that the risk appetite statement is embedded in risk management activities and clearly demonstrates application against the four pillars of performance;
4. Maintain provision of assurance to the Board regarding application of the risk management framework with specific assurance that strategic, operational and partnership risks are being managed effectively;
5. Continue to minimise the likelihood of adverse events, risks and complaints through effective risk identification, prioritisation, treatment and monitoring, to ensure integrated lineage between risk and resilience to encompass learning;
6. Provide comprehensive continuity and resilience plans for those risks that we accept
7. Further develop and maintain a robust legal compliance register to provide assurances to the Board on the organisations compliance with legal requirements;

Each objective will be developed further through the implementation of a Risk Management Improvement Plan.

## Item 2: Purpose

- 2.1 NHS Ayrshire & Arran’s purpose is ‘Working together to achieve the healthiest life possible for everyone in Ayrshire and Arran’. This purpose is supported through commitments to our service users and families, our staff and our partners and underpinned by our values: Caring, Safe and Respectful.
- The NHS Board recognises that it is not possible to eliminate all the risks which are inherent in the delivery of healthcare and is willing to accept a certain degree of risk.
- 2.2 Risk management is an integral part of the NHS Ayrshire & Arran system of internal control. Corporate assurance is a process designed to provide evidence that an NHS organisation is doing its “reasonable best” to meet objectives, protect patients, staff, the public and all stakeholders against risks of all kinds.
- 2.3 In the case of Partnership Working with other agencies, the NHS Ayrshire & Arran Risk Management Strategy 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 and Local Authorities jointly managed services, each partner’s risk management arrangements will be taken into account when identifying and quantifying risks associated with the provision of such jointly managed services.

## Item 3: Approach to Risk Management

- 3.1 The Risk Management Strategy provides the overarching framework for the management of risk within NHS Ayrshire & Arran and it applies across all parts of the organisation and to everyone employed by NHS Ayrshire & Arran, including permanent, temporary, locum, contracted agency and bank staff.
- 3.2 The Strategy sets out the the vision, objectives and organisational arrangements for the management of risk, over the three-year period from 2023-2026 and describes in detail the risk management process for identifying, rating, prioritising and managing risk, how these functions should be carried out and organisational responsibility and accountability. These functions include adverse event and near miss reporting and management; identification and management of risk; and a more integrated approach to sharing of learning information with the ultimate aim of improving patient care and reducing harm.
- 3.3 Primarily, risk management is about good governance and good risk management awareness and practice at all levels across the organisation is a critical success factor for NHS Ayrshire & Arran. Risk management is central to the effective running of any organisation. At its simplest, risk management is good management practice and it should not be seen as an end in itself, but as part of an overall management approach.
- 3.4 In essence, 'Risk management' means having in place a corporate and systematic process for evaluating and addressing the impact of risks in a cost effective way and ensuring that staff have the appropriate competencies to identify and assess the potential for risks to arise.

- 3.5 Risk management proactively reduces identified risks to an acceptable level by creating robust systems for assessment and prevention, rather than reaction and remedy. It plays a vital part in informing decision making and supporting a culture of quality improvement within an organisation. A risk management system is based on a systematic process of:
- Identification
  - Assessing
  - Managing and controlling
  - Monitor and review
- 3.6 Many of the organisation's existing practices and processes already include elements of risk management. The integrated approach consolidates these elements in order to:
- provide a consistent approach to risk management
  - demonstrate how risk management is integrated into the organisation's strategic planning, operational and day to day activities
  - ensure that risk management is embedded in the decisions staff make
  - clarify roles and responsibilities in the risk management process
  - continuously improve risk management approach and the quality of risk information the organisation holds
  - provide a framework that will give assurance to the NHS Board and stakeholders of the organisation's ability to deliver its strategic objectives
- 3.7 NHS Ayrshire & Arran's approach to risk management recognises the importance of working in partnership with all relevant stakeholders where appropriate including:
- Patients and the Public
  - Staff
  - Partner Agencies, Contractors and the Voluntary Sector
- 3.8 Working together with our Health and Social Care Partnerships, Integration Joint Boards (IJBs) and Local Authorities and constituent parties across North, South and East Ayrshire in terms of Risk Management plays a significant role in the success of the risk management agenda.

The IJBs have their own Risk Management Strategies including a risk monitoring framework, and a Risk Register, which is maintained and shared between parties. Risks on delegated services which are shared between parties require to be communicated across partner organisations with clear responsibilities, ownership and timescales

## Item 4: Organisational Responsibility and Accountability

The Risk Management Strategy defines the control framework, that is the Scheme of Delegation, set by the NHS Board in relation to responsibility for risk management throughout NHS Ayrshire & Arran. The Scheme of Delegation identifies which powers and functions the Chief Executive shall perform personally and those which they have delegated to other Directors and Officers. In addition it identifies those powers and functions delegated by the NHS Board to sub-committees.



### 4.1 NHS Ayrshire & Arran Board

4.1.1 The NHS Board has overall corporate responsibility for the risk management strategy and for ensuring that significant risks are suitably and sufficiently identified, monitored and controlled. It does this by ensuring that an effective programme for managing all types of risk is in place.

4.1.2 The NHS Board will receive a Strategic Risk Register report relating to high risks and above every six months for review and assurance. The minutes of the Governance Committees will fully reflect discussion on risk and identify the corporate risks that require to be highlighted to the NHS Board.

### 4.2 Governance Committees

4.2.1 The NHS Board has delegated the function of risk governance to the governance committees. The Audit and Risk Committee has responsibility to review the effectiveness of the risk management system within the organisation.

Each committee has a responsibility to provide assurance to the NHS Board in respect of the risks that fall within their specific remit. Each committee has a further responsibility to encourage lead Directors and Senior Managers to ensure the dissemination of learning across NHS Ayrshire & Arran from adverse events, near misses, complaints and claims.

4.2.2 The Governance Committees will be informed by two key Committees as described below:

**Risk and Resilience Scrutiny and Assurance Group** has responsibility for monitoring the organisation's risk profile and for reporting the relevant Strategic risks to the assigned Governance Committees of the NHS Board. Specifically it is responsible for reviewing and monitoring implementation of NHS Ayrshire & Arran's Risk Management Strategy and assuring operational delivery. It is charged with embedding risk management into the organisation's existing philosophy, practices and business processes

**Health, Safety and Wellbeing Committee** provides assurance to the Staff Governance Committee that the Board is meeting its legal duty. The Committee has the role of keeping under review the measures taken to ensure the effective management of the health and safety at work of employees, and also that of patients

4.3.1 Responsibility and accountability is clearly detailed within the Risk Management Strategy for the following roles:

- Chief Executive
- Medical Director
- Directors (Risk Owners)
- General Managers, Heads of Service, Senior Managers and Clinical Leads (Risk Managers)
- Staff

## Item 5: Risk Appetite

- 5.1 **Risk appetite** is described as the amount of risk, on a broad level, that NHS Ayrshire & Arran is willing to accept in pursuit of its strategic objectives.
- 5.2 Risk tolerance is the acceptable level of variability to achieving strategic objectives.
- 5.3 The NHS Board considers the level of risk that it is prepared to accept for key aspects of delivery of healthcare and these are described using our four pillars of performance of service, quality, people and finance, with an underpinning Quality of Reputation, which spans all four Pillars, as demonstrated in the following statement.
- 5.4 To support the statement, NHS with approval of the Good Governance Institute (GGI) has utilised the use of 'A matrix to support better risk sensitivity in decision taking'. This can be seen as a 'cornerstone' to base our Risk Appetite on. Adaptations have been made to ensure alignment with the needs of NHS Ayrshire & Arran including changes to language to better fit our organisation, and the addition of the People element to align with our four Pillars approach. The matrix is attached at Appendix 1.

## NHS Ayrshire & Arran – Risk Appetite Statement

NHS Ayrshire and Arran’s purpose is ‘Working together to achieve the healthiest life possible for everyone in Ayrshire and Arran.’ This purpose is supported through commitments to our service users and families, our staff and our partners and underpinned by our Values: Caring, Safe and Respectful.

The Board recognises that it is not possible to eliminate all the risks which are inherent in the delivery of healthcare. The Board has therefore considered the level of risk that it is prepared to accept for key aspects of the delivery of healthcare and these are described using our four Pillars of performance. However, a fifth Element has been added to the Risk Appetite Statement which covers Reputational risk. This has been added, as we are aware that reputational risk can be found in all of the four Pillars of Performance.

### Service

We acknowledge that healthcare operates within a highly regulated environment and that we have to meet high levels of compliance expectations from a range of regulatory sources. We will endeavour to meet those expectations within a framework of prudent controls, balancing the prospect of risk elimination against pragmatic operational imperatives.

We have a **High level of Risk Appetite to Service**, as detailed below (See Appendix 1 for Risk Appetite Matrix): “Any opposition would be problematic but we are likely to win it. We would always comply with legal and regulatory requirements and would be able to evidence this. The gain will outweigh the adverse consequences.”

### Quality

The quality of our services, measured by clinical outcome, patient safety, wellbeing and patient experience is at the heart of everything we do. We are committed to a culture of quality improvement and learning, ensuring that quality of care and patient safety is above all else.

We have a **High level of Risk Appetite to Quality** (See Appendix 1 for Risk Appetite Matrix):

“Innovation is supported whilst maintaining compliance, and demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery. Responsibility for non-critical decisions may be devolved.”

### People

Our People Strategy identifies the current and anticipated future workforce challenges the Board needs to address, defines the kind of organisation and employer the Board aspires to be, and outlines our commitments and objectives to our people and, reciprocally, what the Board expects from its people.

We have a **High level of Risk Appetite to People** (See Appendix 1 for Risk Appetite Matrix) and are



“Prepared to accept the possibility of some staffing risk, as a direct result from innovation as long as there is the potential for improved recruitment and retention and development opportunities for staff.”

### **Finance**

The Board spends about £1 billion a year of taxpayer funding for which we are accountable for financial governance and delivering value for money. Internal and external audit report to the Audit and Risk Committee, however management are responsible for designing and maintaining the systems for internal control within the Board.

We have a **High level of Risk Appetite to Finance** (See Appendix 1 for Risk Appetite Matrix) and are “Prepared to invest for return and minimise the possibility of financial challenge by managing the risks to a tolerable level, whilst maintaining financial governance. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.”

### **Reputation**

It is recognised and accepted that the elements of Quality, People, Finance and Service have reputational risk associated with them and in turn the subsequent requirement to always safeguard it.

We have a High level of Risk Appetite to Reputation and have an (See Appendix 1 for Risk Appetite Matrix) “Appetite to take decisions with potential to expose the organisation to additional examination / interest. Prospective management of organisation’s reputation.”

## Item 6: Performance Management

6.1. Continuous monitoring and review of the effectiveness of the risk management arrangements will be undertaken using a range of methods including:

- identified Key Performance Indicators
- internal and external audit reports
- adherence to risk structures and processes
- review of risk registers and levels of risk
- reporting of strategic risk

6.2 The following reports and information will be provided in support of the Risk Management Strategy:

- the Board will receive the Strategic Risk Register every six months for review and assurance
- Governance Committees will receive quarterly risk management reports
- a measuring performance programme will be in place to measure the implementation of the risk management strategy at all levels of the organisation

Performance management sets the context in which risks will be evaluated and managed within the organisation. Risk management should therefore be included within the performance reports and be an integral part of planning and performance processes.

## Item 7: Learning and Development

7.1 To implement this strategy effectively, it is essential to achieve:

- a workforce with the competence and capacity to manage risk and handle risk judgements with confidence
- an organisational focus on identifying malfunctioning systems rather than people
- organisational learning from events

7.2 Training is an essential element in supporting and embedding risk management throughout NHS Ayrshire & Arran and the development of the organisation's risk management service.

7.3 To meet organisational requirements, training will be delivered which is dependent upon departmental training needs analysis and risk. Whilst there are many subjects which will fall under the description of risk management, the following training will be provided:

- Risk Management Awareness
- Risk Assessment Training
- Adverse Event Review Training
- Risk System Training
- Root Cause Analysis Training

7.4 The Risk Management Strategy calls for a more integrated approach to sharing of learning information with the ultimate aim of improving patient care and reducing

harm. This requirement is reinforced further by the Quality and People strategies which identify the Learning Organisation as a key to the delivery of the Quality Strategy ambitions; the ‘Learning from adverse events through reporting and review: A national framework for Scotland December 2019 (4<sup>th</sup> Edition)’ and NHS Ayrshire & Arrans ‘purpose’.

- 7.5 NHS Ayrshire & Arran has ensured that the characteristics of a learning culture<sup>2</sup> are embedded into the organisation. Implementation of such characteristics will have a significant healthy impact upon the management of risk within NHS Ayrshire & Arran.
- 7.6 Learning does not simply come from the more serious events. The integration of risk management throughout NHS Ayrshire & Arran has led to closer linkages between areas such as Claims, Complaints and Health & Safety providing many areas of learning that require to be shared organisational wide. A learning note process is in place to facilitate both organisation wide learning and national learning through reporting on Healthcare Improvement Scotland Community of Practice Portal.

of \_\_\_\_\_

<sup>2</sup> Quality Improvement Culture and Learning Organisation Strategic Framework, October 2014



# Risk Appetite Matrix



	NONE	LOW	MODERATE	HIGH	VERY HIGH	
Service	Play safe, avoid anything which could be opposed, even unsuccessfully.	Want to be very sure we would win any opposition. Similar situations elsewhere have not breached compliances.	Limited tolerance for exposure to risk whilst maintaining compliance. Want to be reasonably sure we would win any opposition.	Any opposition would be problematic but we are likely to win it. We would always comply with legal and regulatory requirements and would be able to evidence this. The gain will outweigh the adverse consequences.	Chances of losing any opposition are real and consequences would be significant. A win would be a great achievement as compliance may have been compromised if the risk was realised.	Consistently pushing back on regulatory burden. Assertive approach informs better regulation.
Quality	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision taking authority. General avoidance of systems / technology developments.	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority able to be delegated beyond senior management in a limited way. Systems / technology developments limited to improvements to protection of current operations.	Innovation is supported whilst maintaining compliance, and demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
People	Avoidance of decisions that could have a negative impact on staff development, recruitment and retention. Sustainability is primary interest.	Avoid all risks relating to the staff unless absolutely essential. Innovative approaches to staff recruitment and retention are not a priority and will only be adopted if established and proven to be effective elsewhere.	Prepared to take limited risks with regards to the staff. Where attempting to innovate, would seek to understand where similar actions have been successful elsewhere before taking any decision.	Prepared to accept the possibility of some staffing risk, as a direct result from innovation as long as there is the potential for improved recruitment and retention and development opportunities for staff.	Eager to pursue workforce innovation. Willing to take risks which may have implications for the workforce but could improve the skills and capabilities of our staff. Recognise that innovation is likely to be disruptive in the short term but with the possibility of long term gains.	
Finance	Avoidance of financial challenge and investing is a key objective. We are only willing to accept the low cost option as Value for Money is the primary concern.	Only prepared to accept the possibility of very limited financial challenges and investing if essential. Value for Money is the primary concern.	Prepared to accept possibility of some limited financial challenge and investing. Value for Money is still the primary concern, but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial challenge by managing the risks to a tolerable level, whilst maintaining financial governance. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial challenge (with controls may in place). Resources allocated without firm guarantee of return – 'investment capital' type approach.	Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself.
Reputation	No tolerance for any decisions that could lead to examination of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional examination / interest. Prospective management of organisation's reputation.	Willingness to take decisions that are likely to lead to examination of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.
Risk Levels	<b>0 - Avoid</b> Avoidance of risk and uncertainty is a Key Organisational objective	<b>1 - Minimal</b> Preference for ultra-safe delivery options that have as low degree or as low as reasonably possible, of inherent risk and only for limited reward potential	<b>2 - Cautious</b> Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward	<b>3 - Open</b> Willing to consider all potential delivery options and choose while also providing an acceptable level of reward and maintaining compliance	<b>4 - Seek</b> Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)	<b>5 - Mature</b> Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust

\*'Good is only good until you find better' – Maturity Matrices © are produced under licence from the Benchmarking Institute: [www.good-governance.org.uk](http://www.good-governance.org.uk) Published by and © GGI Limited Old Horsmans, Sottercombe, near Battle, East Sussex TN33 0RL UK. ISBN 978-1-907610-12-7



# Section H

## Ayrshire and Arran Integrated Health and Care Governance Framework

This section explains how NHS Ayrshire & Arran and the three Ayrshire Integration Joint Boards discharge their Health and Care Governance accountability

The Integrated Health and Care Governance Framework will be reviewed bi-annually and agreed by Healthcare Governance Committee for inclusion with the Code of Corporate Governance.



## 1.0 Introduction

1.1 The purpose of the integration of health, social work and social care services in Ayrshire and Arran is to improve the health and wellbeing of our communities and people who use our services. The Integration Schemes for each of Ayrshire and Arran's three Integration Joint Boards\* (IJB) are intended to achieve improved outcomes for the people of Ayrshire and Arran, in line with the National Health and Wellbeing Outcomes (Appendix 1).

*\*Integration Joint Board is the common term used to describe the Integration Authority referred to in the legislation.*

1.2 The Public Bodies (Joint Working) (Scotland) Act 2014 contains integration principles (Appendix 2) which set the context for planning and delivery of integrated services within each IJB. The service delivery vehicle for each IJB is the Health and Social Care Partnership (HSCP).

To achieve the spirit and requirements of the Act, professionals and the wider workforce are required to work in a way that removes artificial barriers and constructively challenges professional boundaries in order to support the outcomes for individuals. It is important to note that the Act does not change the current or future regulatory framework within which health and social care professionals practice, or the established professional accountabilities that are in place within and across the NHS and local authorities.

1.3 Within this governance framework there are three core accountability elements:

- **Individual professional accountability** for the quality and standard of practice in line with requirements of the relevant professional regulatory bodies.
- **Individual staff accountability** to work according to the standards and requirements of the organisation by which they are employed.
- **Chief officer accountability** for the organisations' performance; and the quality and safety of services to the people and communities it serves.

The main difference between **responsibility** and **accountability** is that responsibility can be shared and delegated while **accountability** cannot. Being **accountable** not only means being **responsible** for something but also ultimately being answerable for your actions.

1.4 The establishment and continuous review of arrangements for Health and Care Governance are essential for the delivery of statutory, policy and professional requirements and the achievement of our quality ambitions. This framework aims to provide guidance for each IJB to discharge their Health and Care Governance accountability consistently.

## 2.0 Definition of Health and Care Governance

Annex C of the Public Bodies (Joint Working) (Scotland) Act 2014 *Clinical and Care Governance Framework* sets out a working definition to be applied to Integrated Health and Social Care Services in Scotland. The terms *Clinical/Health* and *Care Governance* are used interchangeably in that document.

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Health and Care Governance is the process by which accountability for the quality of health and social care is monitored and assured. It should create a culture where delivery of the highest quality of care and support is understood to be the responsibility of everyone working in the organisation - built upon partnership and collaboration within teams, and between health and social care professionals and managers.

Structures and processes need to be established to assure Integration Joint Boards, Health Boards and Local Authorities, whilst at the same time empowering clinical and care staff to contribute to the improvement of quality – making sure that there is a strong voice of the people and communities who use our services.

Health and Care Governance must have a high profile to ensure that quality of care and service is given the highest priority at every level within integrated services. Effective health and care governance will provide assurance to patients, service users, carers, clinical and care staff, managers and Directors that:

- Quality of care, effectiveness and efficiency together drive values based decision-making with regard to the planning, provision, organisation and management of services
- The planning and delivery of services takes full account of the perspective, views and opinions of patients, service users, carers and communities.
- Unacceptable clinical and care practice will be detected and addressed.

Effective health and care governance is the means by which these activities are brought together into a structured assurance framework and linked to the corporate agenda of IJBs, NHS Boards and Local Authorities.

A key purpose of health and care governance is to support staff to continuously improve the quality and safety of care. In addition it will also ensure that wherever possible poor performance is identified and addressed. All health and social care professionals will remain accountable for their individual clinical and care standards of practice and decisions.

Many health and care governance issues will relate to the organisation and management of services rather than to individual clinical or care professional decisions. All aspects of the work of IJBs/HSCPs, Health Boards and Local Authorities should be driven by, and designed to support efforts to deliver the best possible quality of health and social care. Health and care governance is principally concerned with those activities which directly affect the care, treatment and support people receive whether delivered by individuals or teams.

Where an IJB/HSCP has Lead responsibility for a service delivered across Ayrshire and Arran, then the Lead Partnership will have accountability for health and care governance arrangements for that service which includes formal linkages with the health and care governance structures in the other IJBs/HSCPs.



## 2.1 Professional Governance

Professionally registered practitioners working in health and social care across Scotland perform their roles in a diverse range of settings. A large proportion work in hospitals, with a significant number working in community settings in or close to people's own homes. The organisational context in which professionally registered practitioners fulfil their roles is complex. Lines of accountability can be convoluted and often span organisational boundaries. Fostering effective team working is equally as important as developing the roles of any one professional group.

Professional accountability requires to ensure these components are in place for developing good governance: culture, systems, practices, performance, vision and leadership.

- **Nursing, Midwifery and Allied Health Professionals (AHPs)** are professionally accountable to the Executive Nurse Director. The Executive Nurse Director has overall responsibility for NMAHP practice and standards, supported by Associate Nurse Directors, Head of Midwifery and Associate Director of AHPs
- **Social work** is the responsibility of the Chief Social Work Officer. Each local authority is required by law to appoint a Chief Social Work Officer (CSWO), who must hold a social work qualification. The CSWO has overall responsibility for social work practice and standards – whether provided directly by the local authority or in partnership with other agencies.
- **Medical, Dental and Pharmacy staff:** The Executive Medical Director has overall responsibility for the standard of care provided by these staff and is supported by Associate Medical Directors and a Director of Pharmacy.

Clarity for professional accountability and leadership is most needed in times of significant organisational and structural change and in the commissioning of services; when patients, families and service users may be at risk if responsibility and accountability for decision making, tasks and care are unclear.

Individually nurses and midwives are professionally accountable to the Nursing and Midwifery Council (NMC); social workers and care staff are professionally accountable to the Scottish Social Services Council (SSSC); AHPs are accountable to the Health and Care Professions Council (HCPC); medical staff accountable to the General Medical Council (GMC), dentists to the General Dental Council (GDC), pharmacists to the General Pharmaceutical Council (GPC). All these professionals also have a contractual accountability to their employer and are accountable in law for their actions. This is the position irrespective of the setting and context within which professionally registered practitioners perform their roles



### **3.0 The Process of Health and Care Governance**

**3.1** The IJB Chief Officers, the NHS Board Chief Executive (CEO) and the CEO for each Local Authority will establish management and professional leadership structures to ensure accountability and responsibility for Health and Care governance in each IJB/HSCP.

The five Key Principles of Clinical and Care Governance are described as:

1. Clearly defined governance functions and roles are performed effectively.
2. Values of openness and accountability are promoted and demonstrated through actions.
3. Informed and transparent decisions are taken to ensure continuous quality improvement.
4. Staff are supported and developed.
5. All actions are focused on the provision of high quality, safe, effective and person-centred services.

### **4.0 Accountabilities for Health and Care Governance**

#### **4.1 Chief Executives (NHS and three Local authorities)**

The Chief Executive Officers of NHS Ayrshire & Arran and the three Local Authorities hold ultimate accountability for the delivery of Health and Care Governance.

#### **4.2 Integration Joint Board Chief Officers**

Each Chief Officer is accountable for the delivery of Health and Social Care services to the Integration Joint board. Responsibility for Health and Care Governance is delegated to each IJB/HSCP Chief Officer by the NHS Chief Executive and the respective Local Authority Chief Executive. Each Chief Officer is required to establish appropriate arrangements to fulfil those responsibilities.

#### **4.3 Chief Social Work Officer (CSWO)**

The CSWO holds professional and operational accountability for the delivery of safe and effective social work services within each IJB/HSCP. The CSWO provides professional advice to the Local Authority, Chief Officer and the IJB.

#### **4.4 Professional Advisors to the IJB**

The Professional Advisors to the IJB (Associate Nurse Director / Clinical Director / Associate Medical Director / Lead AHP) have a responsibility to provide professional advice to the Chief Officer and the IJB. They are also responsible, on behalf of the IJB Chief Officer, for the development of health and care governance systems and processes within each IJB.

- The Associate Nurse Director/Lead Nurse on the IJB is accountable to the Executive Nurse Director of the NHS Board for professional governance.

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- The Lead AHP is accountable to the Executive Nurse Director of the NHS Board for professional governance, through the Director of Allied Health Professions.
- The Clinical Director / Associate Medical Director to the IJB is accountable to the Medical Director of the NHS Board for professional governance.

**4.5** The schematic outline of Health and Care Governance arrangements for each IJB is outlined at Appendix 4.

**5.0 Arrangements for the delivery of specific elements of Health and Care Governance**

5.1 The Integration Scheme for each Integration Joint Board outlines the requirement to establish a **Health and Care Governance Group** which should be chaired by the Chief Officer or a delegated senior leader. Membership of the Health and Care Governance Group at a minimum will include:

- Senior Management Team of the HSCP
- Clinical Director
- Associate Nurse Director
- Lead Allied Health Professional
- Chief Social Work Officer
- Director of Public Health or representative
- Service user and carer representatives
- Third Sector and Independent Sector representatives

Each Health and Care Governance Group may wish to invite appropriately qualified individuals from other sectors to join its membership as it determines.

5.2 The remit of the Health and Care Governance Group will include the following as core:

- Provide assurance to the IJB (and Chief Officer if not the Chair) on the quality of services delivered by the HSCP.
- Support the governance of public protection within the HSCP including child protection, adult support and protection, MAPPA, GBV, MARAC as set out in the NHS Ayrshire & Arran Public Protection Accountability and Governance Framework
- Support the governance of Care Home Support arrangements as set out in the NHS Ayrshire & Arran Care Home Professional Oversight Governance Framework
- Oversee the processes within the HSCP to ensure that appropriate action is taken in response to adverse events, scrutiny reports/action plans, safety action notices, patient/service user feedback, complaints and litigation; and that examples of good practice and lessons learned are disseminated within and across the HSCP, Pan-Ayrshire and beyond as appropriate.

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- Monitor the HSCP Risk Register from a health and care governance perspective and escalate to the IJB any unresolved risks that require executive action or that pose significant risk to patient care, service provision or the reputation of the IJB.
- Ensure that mechanisms are in place for services to routinely listen, learn and develop from patient, service user and carer experience.
- Ensure that quality and self-evaluation mechanisms are in place to inform a culture of continuous improvement.
- Provide an annual report on Health and Care Governance to the IJB, NHS Ayrshire & Arran Healthcare Governance Committee and the Cabinet of the local authority.

In order to ensure a consistent approach to the remit of each IJB Health and Care Governance Group the following elements will be standing agenda items:

- Quality standards (including scrutiny reports)
- Health and Care Governance Risks
- Adverse events – including SAERs, completion of action plans and learning summaries
- Service user experience (including feedback and complaints)
- Learning and Improvement
- Infection control and prevention

### 5.3 Adverse Event Reviews

Each IJB/HSCP will establish an Adverse Event Review Group (AERG) to provide a co-ordinated and integrated approach to managing adverse events occurring within each IJB/HSCP. Each AERG terms of reference will be consistent with those laid out in the NHS Ayrshire & Arran Adverse Event Policy.

Each HSCP which hosts a service on behalf of Ayrshire and Arran will ensure adverse event review arrangements are in place for this hosted service and effective connections are made with AERGs in other HSCPs for actions and learning.

As a sub-group of the Health and Care Governance Group, the AERG will provide evidence and assurance that adverse events are being addressed appropriately and in a timely manner. The AERG will identify and share learning arising from the review of adverse events (including a mechanism for sharing learning across the Ayrshire and Arran health and social care system).

Regular reports will be provided to the Health and Care Governance Group with regard to the number of adverse events reported, number of adverse event reviews undertaken (LMTR and SAER) and key learning from these reviews. This report will also include escalation of delays in completion of action plans.

### 5.4 Review

This framework for Health and Care governance will be reviewed and updated on a bi-annual basis.

## Appendix 1

### Public Bodies (Joint Working) (Scotland) Act 2014

#### Health and Wellbeing Outcomes

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care services.

## Appendix 2

### Public Bodies (Joint Working) (Scotland) Act 2014

#### Integration Planning and Delivery Principles

- (a) that the main purpose of services which are provided in pursuance of integration functions is to improve the wellbeing of service-users
- (b) that, in so far as consistent with the main purpose, those services should be provided in a way which, so far as possible:
  - i. is integrated from the point of view of service-users
  - ii. takes account of the particular needs of different service-users
  - iii. takes account of the particular needs of service-users in different parts of the area in which the service is being provided
  - iv. takes account of the particular characteristics and circumstances of different service-users
  - v. respects the rights of service-users
  - vi. takes account of the dignity of service-users,
  - vii. takes account of the participation by service-users in the community in which service-users live
  - viii. protects and improves the safety of service-users,
  - ix. improves the quality of the service,
  - x. is planned and led locally in a way which is engaged with the community (including in particular service-users, those who look after service-users and those who are involved in the provision of health or social care)
  - xi. best anticipates needs and prevents them arising
  - xii. makes the best use of the available facilities, people and other resources.

## Appendix 3

### Previous Guidance on Governance and Accountability

NHS public protection accountability and assurance framework (2022)  
<https://www.gov.scot/publications/nhs-public-protection-accountability-assurance-framework/>

Coronavirus (COVID 19): enhanced professional clinical and care oversight of care homes (2020)  
<https://webarchive.nrscotland.gov.uk/20220817140716/www.gov.scot/publications/coronavirus-covid-19-care-home-oversight>

Letter from Cabinet Secretary for Health and Sport regarding multi professional oversight in care homes – 17 May 2020  
<https://webarchive.nrscotland.gov.uk/20220817140716/www.gov.scot/publications/coronavirus-covid-19-care-home-oversight>

Clinical and Care Governance Framework (2015) Scottish Government  
<http://www.gov.scot/Resource/0046/00465077.pdf>

Clinical and care governance across integrated services: what needs to be in place at a strategic level? (2015) Royal College of Nursing (Scotland)  
<https://www.rcn.org.uk/-/media/royal-college-of-nursing/documents/policies-and-briefings/scotland/policies/2015/scot-pol-clinical-governance-guide.pdf>

Nursing and Midwifery Professional Assurance Framework for Scotland (2014). Scottish Executive Nurse Directors & Chief Nursing Officer for Scotland.

Codes of Practice for Social Service Workers and Employers (2014)  
Scottish Social Services Council  
<http://www.sssc.uk.com/about-the-sssc/multimedia-library/publications/60-protecting-the-public/61-codes-of-practice/1020-sssc-codes-of-practice-for-social-service-workers-and-employers>

Governance for Healthcare Quality in Scotland – An Agreement. (2013) Scottish Government Health Directorates <http://www.tinyurl.com/qualitygovernance>

Governance for Quality Social Care in Scotland – An Agreement. (2013).  
Social Work Scotland – available via the Social Work Scotland website  
<http://www.socialworkscotland.org/>

Practice Governance Framework: Responsibility and Accountability in Social Work Practice (2011)  
<http://www.scotland.gov.uk/Resource/Doc/347682/0115812.pdf>

The Role of the Chief Social Work Officer (2010)  
Scottish Government <http://www.scotland.gov.uk/Publications/2010/01/27154047/0>

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The Role of Registered Social Worker in Statutory Interventions: Guidance for local authorities (2010)

Scottish Government <http://www.scotland.gov.uk/Resource/Doc/304823/0095648.pdf>

Governance for Joint Services. Principles and Advice. (2007) COSLA, Audit Scotland and Scottish Government.

<http://www.chp.scot.nhs.uk/wp-content/uploads/Governance-for-joint-Services.pdf>

NHS HDL (2001) 74 Clinical Governance Arrangements. Scottish Executive

[http://www.sehd.scot.nhs.uk/mels/HDL2001\\_74.htm](http://www.sehd.scot.nhs.uk/mels/HDL2001_74.htm)

NHS MEL (2000) 29 Clinical Governance.

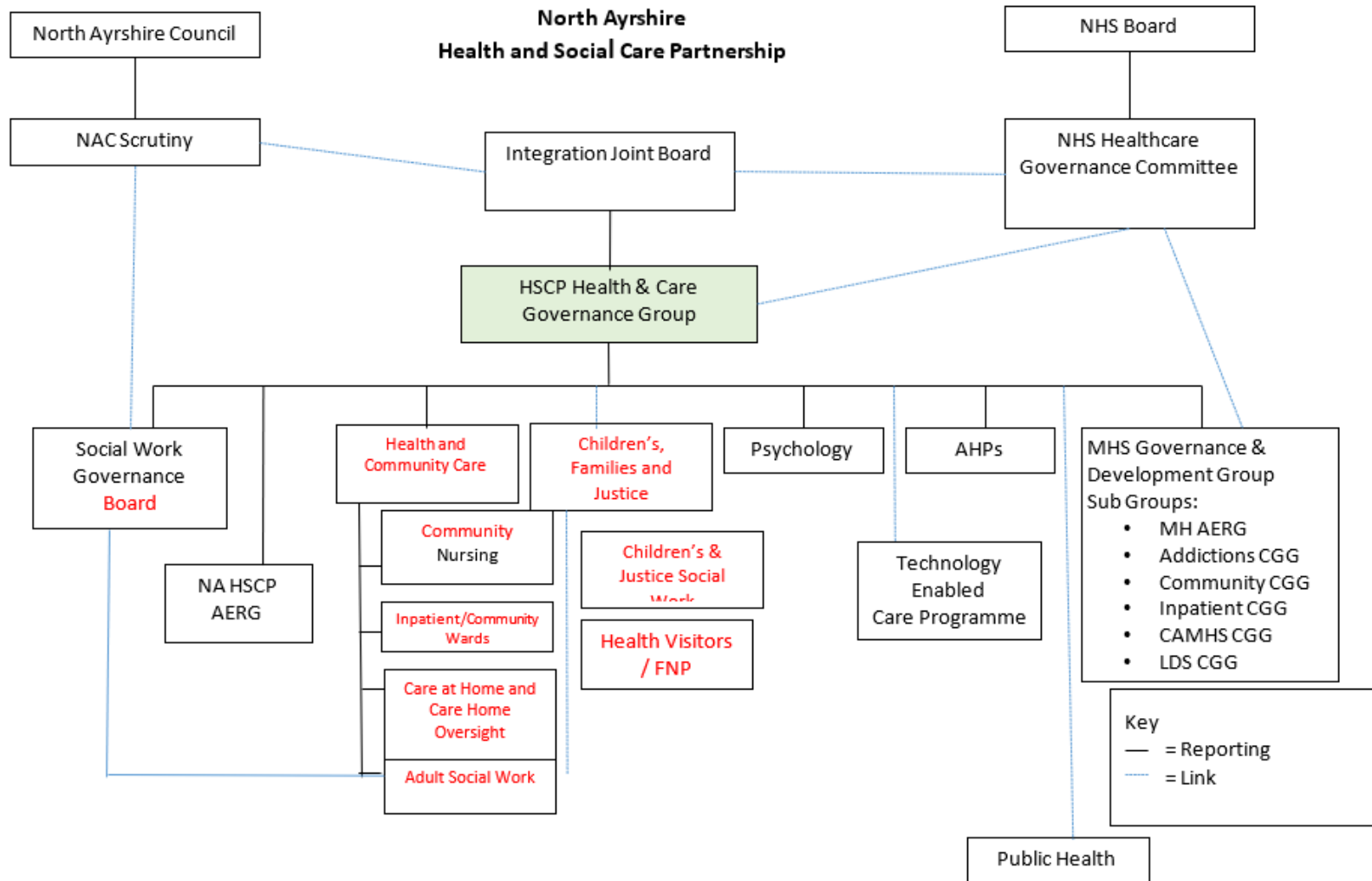
Scottish Executive [http://www.sehd.scot.nhs.uk/mels/2000\\_29final.htm](http://www.sehd.scot.nhs.uk/mels/2000_29final.htm)

NHS MEL (1998)75 Clinical Governance Scottish Executive

[http://www.sehd.scot.nhs.uk/mels/1998\\_75.htm](http://www.sehd.scot.nhs.uk/mels/1998_75.htm)

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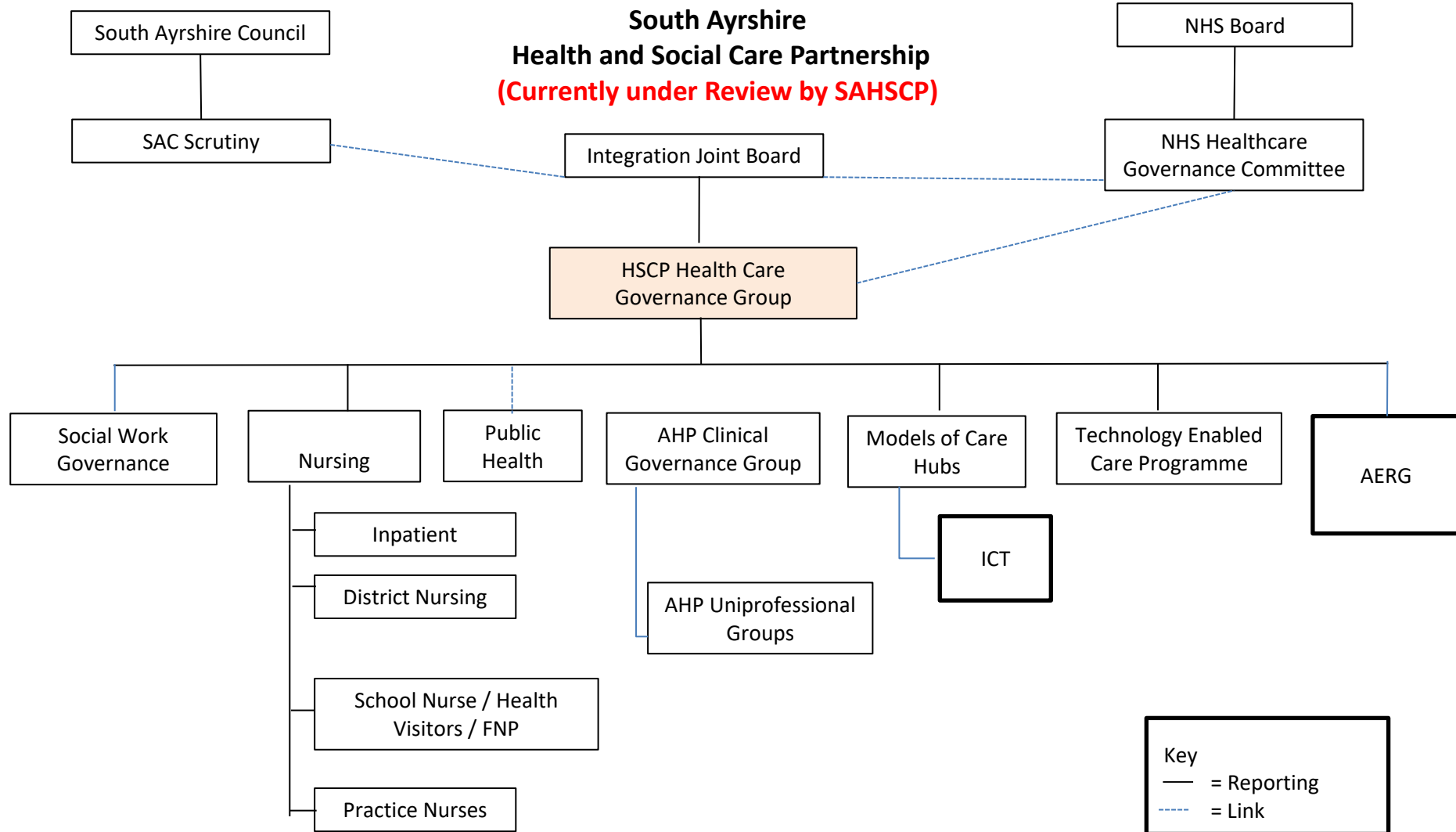
**Appendix 4: Health and Care governance arrangements for each Health and Social Care Partnership**





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Currently Under Review



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