

Greater Glasgow NHS Board

Board Meeting

Tuesday, 17th August, 2004

Board Paper No. 04/49

Head of Board Administration and
Chief Executive, GGNHSB

WHITE PAPER “PARTNERSHIP FOR CARE” – SCHEME OF DELEGATION AND NEW COMMITTEE ARRANGEMENTS REVIEW

Recommendation: The Board is asked to:

- i) receive this update on the governance and committee arrangements proposed from 1st October, 2004;
- ii) approve the Standing Financial Instructions (SFIs) which are included as Annex 2;
- iii) approve the arrangements for appointments to the Chairs of the Audit, Health and Clinical Governance and Research Ethics Governance Committees;
- iv) approve the broad arrangements for assuring governance at Divisional level, with the further details to be worked through as part of the on-going programme of Board development.

1. INTRODUCTION

- 1.1 In response to Scotland's White Paper “Partnership for Care” and the outcome of consultation on the proposals to dissolve NHS Trusts from 1st April 2004, the NHS Board developed arrangements for the move to single system working across NHS Greater Glasgow.

2. BACKGROUND

At the March 2004 NHS Board meeting, three key recommendations were agreed:-

- 2.1 A set of transitional arrangements to ensure the smooth and effective conduct of the NHS Board's business from 1st April to 30th September, 2004 to allow time for the development of a fuller set of arrangements and structures to take account of the move to single system working. The transitional arrangements took account of the process required to finalise the Annual Accounts 2003/04 and the appraisals of Senior Managers on Executive Pay Arrangements. The Annual Accounts have been approved and the appraisals process for Senior Managers is well advanced.

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- 2.2 The development of a Scheme of Delegation to take account of discussion with staff, partnership and other key interests. This was particularly relevant in the move to single employer status and the need to support devolved human resources powers to Divisions, where the vast majority of staff work. With the move to a single employer it will be important to ensure fairness and consistency of people management policies and practice on a NHS Greater Glasgow basis, underpinned by the principles of partnership working.
- 2.3 The NHS Board Members consider the Committee structure at NHS Board level and Divisional level and make recommendations for the Committee arrangements (and membership) from 1st October, 2004 (recognising the end of the transitional arrangements on 30th September, 2004).
- 2.4 In addition, NHS Quality Improvement Scotland (NHS QIS) has advised the NHS Board that it is carrying out an Interim Peer Review of all NHS Boards in Scotland to provide an overview of progress to date on the development and implementation of governance frameworks. This review will cover four main areas
 - Clinical Governance
 - Risk Management
 - Patient Focus Public Involvement
 - Single System Working.
- 2.5 This review will be in two phases. The first consists of completion of a self assessment to be submitted to NHS QIS by 13th September, 2004 together with a range of core policies and documents. The second phase will be a meeting with the peer review panel on 8 December 2004 to discuss the Self-assessment and core documents. A national report providing a baseline for future performance assessment reviews will be published in May, 2005. The review by NHS QIS lends added focus and urgency to the establishment of Governance Fora and to the work of harmonising the arrangements for risk management throughout NHS Greater Glasgow.

3. TRANSITIONAL ARRANGEMENTS AND BEYOND

- 3.1 The transitional arrangements from 1st April to 30th September, 2004 have allowed the NHS Board to:-
 - 3.1.1 complete the Annual Accounts – 2003/04 process at Divisional and NHS Board level in line with SEHD guidelines and within the national timetable set by Parliament.
 - 3.1.2 complete the 2003/04 appraisal arrangements of Senior Managers on Executive Pay Arrangements both at Divisional and NHS Board level in accordance with SEHD guidelines.
- 3.2 Both matters have included the involvement of former Trustees and this has greatly assisted with the process as they have brought knowledge and awareness of the issues raised and discussed during the financial year in question.
- 3.3 As agreed at the March NHS Board meeting, the formal involvement of the former Trustees on the Divisional Committees comes to an end on 30th September, 2004.
- 3.4 Formal thanks and the Board's appreciation of their continued involvement will be recorded at a future NHS Board meeting and in a letter from the NHS Board Chairman. Opportunities for further lay involvement in other elements of the NHS Board's business will be considered for those keen to remain connected with the NHS Board and its business.

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- 3.5 The transitional arrangements also put in place the initial induction of the new NHS Board Members; the approval of the Standing Orders for the Proceedings and Business of the NHS Board; the Committee arrangements which recognised the single legal entity status – i.e. the Pharmacy Practices Committee becoming a Committee of the NHS Board; approval of the revised Code of Conduct for NHS Board Members and the review of Members' interests; the legal aspects of overall responsibility for health, safety and Data Protection; the processes for handling legal claims and entering into legal contracts and payroll matters relating to tax and superannuation. The Chief Executive and Employee Director wrote to all staff whose employment transferred from the former NHS Trusts to the NHS Board.
- 3.6 Other governance issues relating to the Fraud and Corruption Plan, Standards of Business Conduct for NHS staff and Gifts and Hospitality are picked up as part of the review of Standing Financial Instructions (SFIs), which is referred to later in this paper.
- 3.7 The matters referred to in paragraph 3.5, included in the Transitional Arrangements paper in March 2004, are all permanent arrangements and will run beyond the 30th September, 2004 date and will remain in place until the NHS Board alters the arrangements for any of these matters.

4. SCHEME OF DELEGATION

- 4.1 The NHS Board, at its February, 2004 meeting, approved a draft high level Scheme of Delegation (Annex 1) which described the levels of responsibility of the NHS Board, the Divisions and the Corporate Management Team. It also agreed that further work be carried out in partnership to develop key aspects relating to human resources matters.
- 4.2 The Scheme of Delegation was to be seen in the context of a description of the high levels of responsibilities across the NHS Board (and its Standing Committees); the four Divisions' responsibilities for the operational functions, supported by detailed levels of delegation relating to human resources management and Standing Financial Instructions (SFIs) and the main elements of the financial spending limits and authorities – largely set externally.

4.3 High Level Scheme of Delegation

- 4.3.1 The diagram recognises the pivotal role of the Corporate Management Team (CMT) in bringing together the responsibilities for operational and strategic functions, health service management, health improvement and partnership working.
- 4.3.2 The CMT meets fortnightly and its membership comprises the five Chief Executives, Director of Public Health, Director of Finance, Director of Planning and Community Care, Employee Director, Medical Director and Nurse Director.
- 4.3.3 The high level Scheme of Delegation was developed with a view towards the further significant changes there will be to relationships, structures and governance/accountability arrangements with the onset of Community Health Partnerships (CHPs) from 1st April 2005 and their continued development and evolution. CHPs will have substantive responsibilities for health improvement, planning and partnership.

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4.3.4 In addition, the NHS Board agreed to move formal meetings of the NHS Board and of the Performance Review Group to alternate months, on a two-monthly cycle. This would create a pattern of meetings as such:-

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| 9.30 a.m., Tuesday, 17 th August | - NHS Board Meeting |
| 9.30 a.m., Tuesday, 21 st September | - Performance Review Group Meeting |
| 10.00 a.m., Thursday, 23 rd September | - Annual General Meeting |
| 9.30 a.m., Tuesday, 12 th October (Second Tuesday of the month to take account of the school holiday week) | - NHS Board Meeting |
| 9.30 a.m., Tuesday 16 th November | - Performance Review Group Meeting |
| 9.30 a.m., Tuesday, 21 st December | - NHS Board Meeting |
| 9.30 a.m., Tuesday, 20 th January | - Performance Review Group Meeting |
| 9.30 a.m., Tuesday, 15 th February | - NHS Board Meeting |
| 9.30 a.m., Tuesday, 15 th March | - Performance Review Group Meeting |

and so on. For annual accounts purposes and to meet the SEHD timescale, there will still require to be an NHS Board meeting in July.

4.3.5 It would remain open to the Chairman and Members of the NHS Board or Performance Review Group to call any further meeting of either in addition to the proposed cycle of meetings.

4.3.6 In addition, Members were keen to create more opportunities for dialogue between Members of the NHS Board and members of the public and staff. As a result of the Non-Executive Directors meeting with the Chairman on 15th June, Members visits are being arranged, focusing on facilities which will be the subject of debate at future NHS Board sessions/meetings. The Annual General Meeting has been arranged for Thursday, 23rd September, 2004 and consideration will be given to holding two further ‘open’ meetings later in the financial year – possibly in other parts of NHS Greater Glasgow (ultimately in each Local Authority area).

4.4 Scheme of Delegation – Human Resources

4.4.1 NHS Greater Glasgow became a single employer on 1st April, 2004, following the dissolution of the four NHS Trusts. The key principles which underpin the ongoing development of a detailed Scheme of Delegation reflect the requirements of “Partnership for Care” to ensure maximum devolution of responsibility to teams and staff within Operating Divisions, set within a Board-wide policy context which ensures fairness and consistency of people management.

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- 4.4.2 The Area Partnership Forum is now established as the Board-wide vehicle for partnership and consultation: all major organisations with the exception of the BMA now participate in its work which links to the development and implementation of the Greater Glasgow Local Health Plan. In order to strengthen the current arrangements for partnership working in support of single system development, it is proposed to create a HR Forum which will have responsibility, at NHS Board level, for the negotiation of changes to terms and conditions of employment (where these are not nationally determined) and for the harmonisation of common interpretations of policies and terms and conditions across Greater Glasgow. As a specific example, the Staff Side membership of the Area Partnership Forum has raised, for early resolution, the determination of a common interpretation of the Organisational Change Policy, owing to some variation in interpretation among local NHS Trusts previously. Discussions are progressing currently among Staff Side organisations about the composition of the HR Forum: the Area Partnership Forum can serve as the vehicle for handling any urgent issues in the interim.
- 4.4.3 “Partnership for Care” was clear, however, that NHS Boards must not again become the “command and control” organisations of the past. There will, therefore, continue to be devolved to Operating Divisions the major responsibility for the execution of the Human Resources function. Divisional Partnership Forums will continue as the main vehicles by which partnership working and consultation are delivered locally. The handling of employee conduct matters, redrawn as part of the “interim arrangements” in order to reflect the dissolution of NHS Trusts, will continue to be discharged within Divisions, with members of the NHS Board continuing (as they now do) to participate in appeal panel hearings.
- 4.4.4 Within these principles, it is proposed that the finer details continue to be developed through a pan-Glasgow partnership agreement. The NHS Board has approved, and has now embarked on recruitment of, a Director of Human Resources. The establishment of that post, allied to the other developments of the partnership structures described here, will support also the further strengthening of the Staff Governance arrangements within NHS Greater Glasgow.

4.5 Standing Financial Instructions (SFIs)

- 4.5.1 This is a key component of the detailed Scheme of Delegation – NHS Board’s revised over-arching SFIs detail the financial responsibilities, policies and procedures for NHS Greater Glasgow. Their purpose is to ensure that the Board’s financial transactions are carried out in accordance with the law and Government Policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. The NHS Board’s over-arching SFIs are supported by the individual Divisional financial procedures.
- 4.5.2 The spending limits which form part of the SFIs are largely externally set and thus define the scheme of financial delegation. SEHD letters set out thresholds which apply to approval of capital investments and the disposal of assets.
- 4.5.3 The SFIs incorporate the limits delegated to NHS Boards to instigate competitive tendering, write off losses and authorise special payments, schedule of authorised signatories and administrative delegation. The SFIs were considered by the NHS Greater Glasgow Audit Committee at the meeting on 9th March, 2004 at which it was decided to recommend their approval to the NHS Board. The SFIs, are attached, therefore, to this paper for the Board’s formal approval (Annex 2).

4.6 Future Committee Arrangements

- 4.6.1 The agreed remits of the Standing Committees (and Decisions Reserved for the NHS Board) will form part of the overall Scheme of Delegation. A copy of the current remit of each of these Committees is included as Annex 3, attached to this paper.
- 4.6.2 The Transitional Arrangements for the NHS Board and Divisional Committee structure covered the period 1st April – 30th September, 2004. New arrangements are therefore required to be put in place from 1st October, 2004.
- 4.6.3 For the immediate future the Standing Committees of the NHS Board are likely to remain intact as they follow the recommendations and guidance of the SEHD; although the composition and remit are worthy of review to ensure they support the full extent of the NHS Board's range of responsibilities and role of the NHS Board as a Board of Governance.
- 4.6.4 The NHS Board had an initial discussion about future committee arrangements and the potential role of governance fora at its Seminar on 3rd August, 2004. In respect of those committees where the appointment of a new Chair is required (notably the **Audit Committee, Health and Clinical Governance Committee** and the **Research Ethics Governance Committee**) the Board Chair should make the necessary arrangements to fill these positions.
- 4.6.5 In the light of discussion at the recent Accountability Review Meeting, the Board should review the role of the **Area Clinical Forum** with the Chair and Members of that Group, and revisit also the role of the **Staff Governance Committee** both to take stock of experience over its first two years and to reflect that the Staff Governance Standard is now enshrined in legislation. At the August Board Seminar, the Employee Director made a presentation on the Standard which set out for Board Members the extensive responsibilities which the Staff Governance Committee will carry in assuring delivery of the Standard. It is proposed, therefore, that the Staff Governance Committee should develop over the next four months a three year action plan to address the requirements of the Standard and to ensure that there is a clear process by which the Committee can monitor implementation of the agreed action plan.
- 4.6.6 Following the Seminar discussion, it is proposed that any changes to the remits of other Board Committees should be debated first within those committees, with recommendations for change taken forward by the Board as part of the on-going programme of Board development.
- 4.6.7 There were three further issues covered in the Seminar discussion on which the Board is now asked to take a view. The first involves formalising into the Board's committee structure the four Divisional Management Teams. The clear view expressed by Members at the Seminar is that they should be Sub-Committees of the Board itself. The reporting arrangements also for the Corporate Management Team should be formalised: it is proposed that it should report to the Board's Performance Review Group. Thirdly, the Board is asked to approve the arrangements at Divisional level to give the assurance that good governance practice is transparent and effective and that monitoring is taking place in Divisions across the key areas of audit\risk, clinical governance and staff governance. These issues are addressed in the next section of this paper.

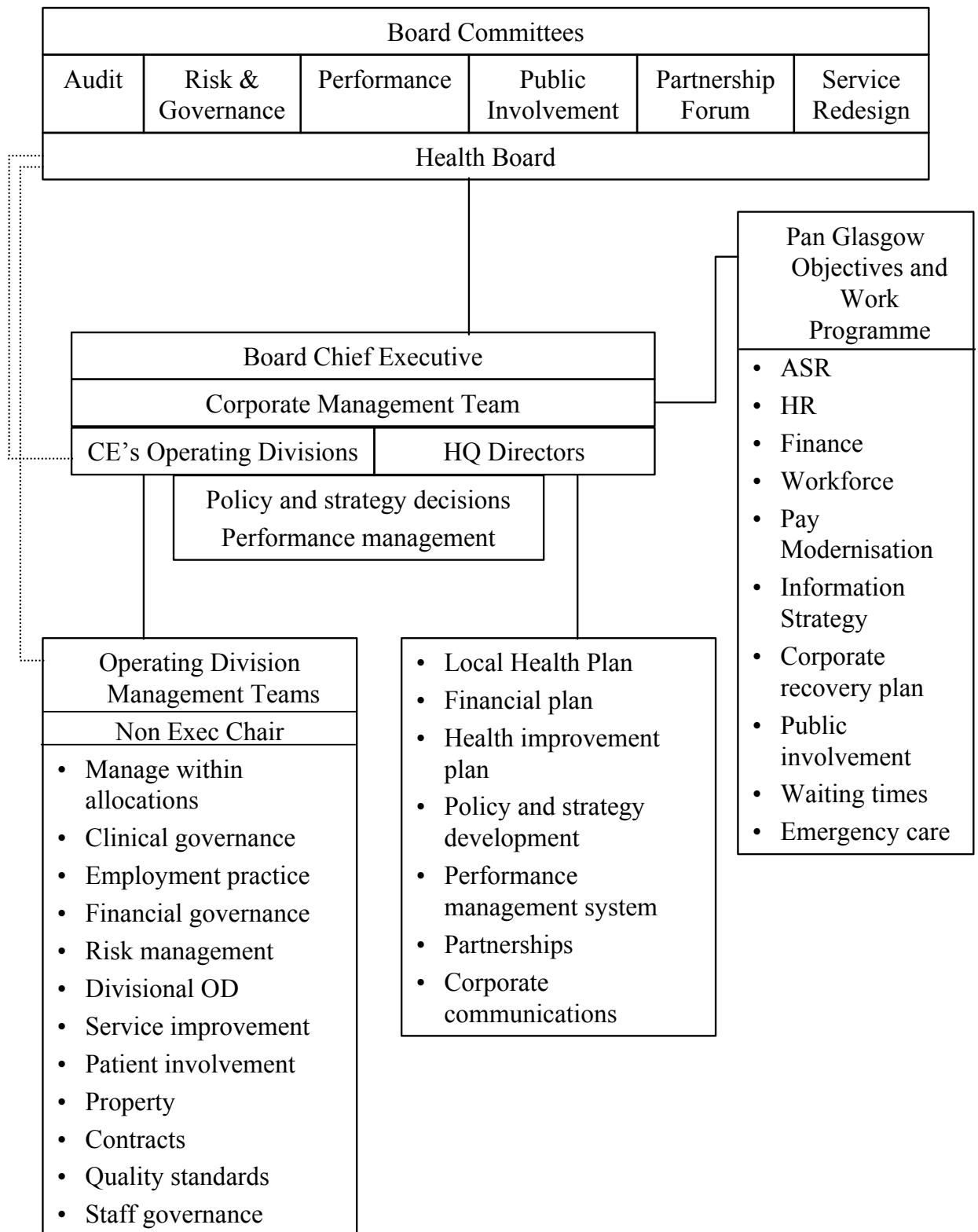
5. GOVERNANCE FORA – DIVISIONAL LEVEL

- 5.1 A series of workshops involving Audit Committee Members, senior managers, external auditors and internal auditors explored the options for governance arrangements within single system working with particular emphasis on the management of risk. These workshops culminated in agreement that a Governance Forum should be established within each Division to seek overall assurance on the processes for identifying and assessing all risks including business, clinical and health & safety risks. The attached diagrams set out the proposals from the workshop on how risk will be managed and how the Governance Fora would relate to Divisional Management Teams and to the NHS Board and its Committees (Annex 4).
- 5.2 In addition, the workshops identified three streams of work now currently being progressed
1. The harmonisation of the pan Glasgow processes to manage risk within each Division and the Corporate Management Team;
 2. The formulation and maintenance of the pan-Glasgow risk register;
 3. The arrangements required to make the Governance Fora effective.
- 5.3 A Risk Management Steering Group led by the Director of Human Resources in South Glasgow Division is working on the processes for risk management and this stream of work together with a further Audit Committee workshop scheduled for September, 2004 will also address the creation and maintenance of the Glasgow-wide risk register. The risk register in respect of NHS Greater Glasgow and the arrangements to maintain it will be presented to a subsequent meeting of the NHS Board.
- 5.4 The arrangements for Governance Fora were considered at the NHS Board Seminar on 3rd August, 2004 when it was agreed that :
- To exploit fully the existing assurance and risk management processes, the work of the Governance Forum could be incorporated into the regular business of the Divisional Management Team. It was recognised that existing arrangements for the organisation of the routine and operational aspects required to support financial, clinical and staff governance may need to be retained within each Division.
 - To enable the Governance Fora to better discharge this assurance role, the Divisional Management Team should be augmented by the appointment of additional Non-Executive Directors. The finer details will be worked through as part of the Board's on-going development programme.
 - When acting as the Governance Forum, meetings of the Divisional Management Team should be chaired by one of the Non-executive Directors.
 - It would normally be sufficient for the Governance Fora to meet quarterly.

6. CONCLUSION

- 6.1 Members are asked to consider the arrangements described in this paper and the recommendations set out at the head of the paper. That will allow the main planks of governance to be in place at 1st October, 2004 while giving some further opportunity for refining aspects of the proposed arrangements with the involvement of Board Members in the on-going programme of Board development.

J C Hamilton, Head of Board Administration
T.A. Divers, Chief Executive
10th August, 2004
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- CMT brings together HQ directors and operating division responsibilities
- CMT considers issues with significant implications outside a particular division

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SECTION 1

INTRODUCTION

GENERAL

- 1.1 These Standing Financial Instructions (SFIs or Instructions) detail the financial responsibilities, policies and procedures to be adopted by the Board. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.
- 1.2 These Standing Financial Instructions (SFIs or Instructions) are issued in accordance with the National Health Service (Financial Provisions) (Scotland) Regulations 1974, Regulation 4, together with the subsequent guidance and requirements contained in NHS Circular No. 1974 (GEN) 88 and annex, for the regulation of the conduct of the Board, its members and officers, in relation to financial matters. They will have effect as if incorporated in the Standing Orders for the Proceedings and Business of the Board.
- 1.3 The Code of Conduct and the Code of Accountability are issued to all NHS Board Members on appointment and a condition of their appointment is acceptance of, and compliance with, the terms of these Codes and the Code of Practice on Openness. The principles of these codes are reflected in these SFIs.
- 1.4 These SFIs identify the financial responsibilities which apply to everyone working for the Board and its constituent organisations. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with relevant detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 1.5 Lastly, these SFI's are in themselves a component of wider Risk Management Strategy that seeks to safeguard all of the processes of the NHS Board (HDL(2002)65).
- 1.6 FAILURE TO COMPLY WITH SFIS IS A DISCIPLINARY MATTER WHICH COULD RESULT IN DISMISSAL.

TERMINOLOGY

- 1.7 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
 - 1 "Board" means the Greater Glasgow NHS Board, or such Committee of the Board to which powers have been delegated.
 - 2 "Budget" means an allocation of resources by the Board, Chief Executive, or other officer with delegated authority expressed in financial terms, for the purposes of carrying out, over a specific period, a function or group of functions of the Board.
 - 3 "Chief Officer" means any officer who is directly accountable to the Chief Executive i.e. Directors, **Chief Executives of Divisions** and some Heads of Department.
 - 4 "Budget Holder" means the Chief Officer or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.

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RESPONSIBILITIES AND DELEGATION

- 1.8 The Board will exercise financial supervision and control by:-
 - 1 formulating the financial strategy;
 - 2 requiring the submission and approval of annual budgets within approved allocations;
 - 3 defining and approving essential features of financial arrangements in respect of important procedures and financial systems (including the need to obtain Value for Money);
 - 4 defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation.
- 1.9 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 or application then the advice of the Director of Finance or authorised nominee must be sought before action is taken.
- 1.10 It will be the duty of the Chief Executive to ensure that existing staff and all new appointees are informed of their responsibilities within these Instructions.
- 1.11 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.
- 1.12 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 Scottish Executive Health Department in accordance with the Public Finance and Accountability (Scotland) Act 2000.
- 1.13 Without prejudice to the functioning of any other officer of the Board, the Director of Finance is responsible for:
 - 1 the preparation, documentation, implementation and maintenance of the Board's financial policies, procedures and systems in support of a comprehensive control environment;
 - 2 co-ordinating any corrective action necessary to further these policies, procedures and systems;
 - 3 the design, implementation and supervision of systems of financial control including the adoption of Standing Financial Instructions and the maintenance of effective internal audit arrangements;
 - 4 the preparation and maintenance of such accounts, costs, estimates etc. for the purposes of carrying out the Board's duties and establishing with reasonable accuracy the Board's financial position;
 - 5 the provision of financial advice to the Board and its officers.

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- 6 the accurate and timely submission to the Scottish Executive Health Department of Annual Accounts and such other reports, returns and monitoring information as may be required to allow the Scottish Executive Health Department to discharge its responsibilities.
- 1.14 Where an employee carries out a finance function, even if that employee is employed outwith the Finance Directorate, the Director of Finance will specify the form in which the records will be kept and the procedures which will be followed to fulfil that function.
- 1.15 Wherever the title of Chief Executive or Chief Officer is used in these Instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent them.
- 1.16 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.
- 1.17 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.
- 1.18 All references in these Instructions to the singular form will be read as equally applicable to the plural.

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SECTION 2

**ALLOCATIONS, BUSINESS PLANNING, BUDGETS,
BUDGETARY CONTROL AND MONITORING**

- 2.1 The Board will perform its functions within the total of funds allocated by Scottish Ministers and any other source of recognised income. All plans, financial approvals and control systems will be designed to meet this obligation.

ALLOCATIONS AND REVENUE PLAN

The Director of Finance of the Board will:

1. at least once per year, review the bases and assumptions used for distributing allocations and ensure that these are reasonable and realistic and secure the Board's entitlement to funds;
2. submit to the Board for approval prior to the start of each financial year, a Financial Plan detailing sources of income and the proposed application including any sums to be held in reserve;
3. ensure that the proposed application reconciles to the allocations received and other sources of income;
4. ensure that the Revenue Plan states clearly the significant assumptions on which it is based and details any major changes in activity, delivery of service or resources required to achieve the Plan;
5. ensure that the Revenue Plan reflects the objectives set out in the Performance Assessment Framework and other strategic plans such as the Local Health Plan and the Joint Community Care Plan.
6. report to the Board if the timetable for submission of the Revenue Plan is delayed, and agree a revised timetable which will ensure submission before the start of the financial year or as soon as possible thereafter;
7. regularly report to the Board on significant changes to the initial allocation and the uses of such funds.

PREPARATION AND APPROVAL OF BUDGETS

- 2.3.1 Prior to the start of the financial year and in accordance with a timetable agreed by the Board, the Director of Finance will on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will predominantly cover allocations to **Divisions** to provide services for the delivery of healthcare and will separately identify funding required for the day-to-day operation of the Board. Such budgets will:

- 1 be in accordance with the aims and objectives set out in the Annual Financial Plan and Local Health Plan;
- 2 accord with workload and manpower plans;
- 3 be produced following discussion with appropriate **Division** representatives and other budget holders;

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- 4 be prepared within the limits of available funds; and
- 5 identify potential risks.

- 2.3.2 The Director of Finance will establish procedures to monitor financial performance against budget and the Revenue Plan, periodically review them and report to the Board.
- 2.3.3 All budget holders, including **Divisions**, must provide information as required by the Director of Finance to enable budgets to be compiled and monitored, using as appropriate nationally defined reporting formats.
- 2.3.4 The Director of Finance has a responsibility to ensure that adequate financial advice is provided on an ongoing basis to budget holders to help them discharge their budgetary control responsibilities effectively and efficiently.

2.4 BUDGETARY DELEGATION

- 2.4.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities.

This reflects the emerging nature of partnership working, both with other public sector organisations and private agencies providing healthcare services [See also Section 7 of these Instructions].

This delegation must be in writing and be accompanied by a clear definition of:

- the amount of the budget;
- the purpose(s) of each budget heading;
- individual and group responsibilities;
- authority to exercise virement;
- achievement of planned levels of service; and
- the provision of regular monitoring reports.

- 2.4.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 2.4.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 2.4.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

2.5 BUDGETARY CONTROL AND REPORTING

- 2.5.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

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- i - Monthly financial reports available to the Board in a form approved by the Board containing:
 - income and expenditure to date showing trends and forecast year-end position;
 - movements in working capital materially affecting resource limits;
 - capital project spend and projected out-turn against plan;
 - explanations of any material variances from plan;
 - details of any corrective action where necessary;
 - an assessment of financial risk.
- ii - the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering areas for which they are responsible;
- iii - investigation and reporting of variances from financial, workload and manpower budgets;
- iv - monitoring of management action to correct variances; and
- v - arrangements for the authorisation of in-year budget transfers.

2.5.2 Each budget holder is responsible for ensuring that:

- 1 any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Chief Executive or the Director of Finance;
- 2 the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement.

2.5.3 The Chief Executive is responsible for identifying and implementing efficiency and rationalisation programmes together with income initiatives in accordance with the requirements of the Annual Revenue Plan and any other guidance received from the Scottish Executive Health Department from time to time and to thereby ensure a balanced budget.

2.5.4 Divisional Chief Executives must ensure that these budgetary control and reporting disciplines operate in their Division. This supports the Board's overarching budgetary control environment.

2.6 MONITORING RETURNS

2.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring returns are submitted to the Scottish Executive Health Department and any other statutory organisation as required.

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2.7 CAPITAL EXPENDITURE

2.7.1 The general rules applying to delegation and reporting shall also apply to capital expenditure including the requirement to stay within the Capital Resource limit [HDL (2002) 40 refers] [See also Section 12 of these Instructions].

2.8 SCHEME OF DELEGATION

2.8.1 The Board shall approve a Scheme of Delegation which will specify:

- 1 areas of responsibility;
- 2 nominated officers; and
- 3 the scope of the delegation in terms of financial value, time span etc.

The Scheme of Delegation will be reviewed and approved by the Board as part of the annual review of Corporate Governance.

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SECTION 3

ANNUAL ACCOUNTS AND REPORTS

- 3.1 The Director of Finance on behalf of the Board, will:
 1. keep in such form as the Secretary of State may direct, account of all monies received or paid out by the Board;
 2. prepare financial returns in accordance with the guidance issued and regulations laid down by the Secretary of State, the Board's accounting policies and generally accepted accounting principles;
 3. prepare, certify and submit Accounts in respect of each financial year as required by Section 86 (3) of the NHS (Scotland) Act 1978;
 4. ensure that Accounts are prepared in a format which meets the requirements of the Health Board Accounts Manual, recognised best accounting practice and such other legislation, directions and guidance as may be in force at the time;
 5. ensure that the Accounts are produced in accordance with the timetable set down by the Scottish Executive Health Department and by the Auditor General.
 6. ensure that there is evidence of compliance with the Board's Corporate Governance measures in accordance with NHS HDL (2002)11 - Corporate Governance: Statement on Internal Control.
- 3.2 The Board's Annual Accounts must be audited by an auditor appointed by the Secretary of State. The Auditor General has a statutory duty to secure on behalf of the Secretary of State the audit of the Board's accounts. (External Audit is dealt with at greater length in Section 4 of these Instructions).
- 3.3 The audited Accounts must be presented to and approved by the Board at a public meeting.
- 3.4 The Board will produce an Annual Report in accordance with the guidelines issued in circulars MEL (1993) 30 and MEL (1994) 80.

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SECTION 4

AUDIT

4.1 AUDIT COMMITTEE

4.1.1 In accordance with Standing Orders and as set out in guidance issued under NHS Circular MEL (1994) 80, the Board will establish an Audit Committee which will provide an independent and objective view of internal control by:

1. overseeing internal and external audit services;
2. reviewing financial systems;
3. ensuring compliance with Standing Orders and these Instructions;
4. reviewing the Board-wide systems of internal control and arrangements for Corporate Governance and reporting annually thereon to the Board; this report will be informed by the annual statement by Chief Internal Auditor on the adequacy and effectiveness of internal controls - see paragraph 4.4.5.

In discharging these responsibilities, the Audit Committee will provide the appropriate assurance to Directors that the necessary controls are in place to allow the Chief Executive on behalf of the Directors, to sign the Internal Financial Control Statement in the Annual Accounts.

- 4.1.2 The Terms of Reference of the Audit Committee will be reviewed and approved annually by the Board.
- 4.1.3 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Scottish Executive Health Department (to the NHSiS Director of Finance in the first instance).
- 4.1.4 The Director of Finance will be responsible for ensuring that an adequate internal audit service is provided and the Audit Committee will be involved in reviewing tenders and awarding contracts when the contract for internal audit services is renewed or changed.
- 4.1.5 The Director of Finance will be responsible for arranging the resources required to carry out any review or investigation which is commissioned directly by the Audit Committee under its Terms of Reference.

4.2 EXTERNAL AUDIT

- 4.2.1 The Board's Accounts must be audited by auditors appointed by the Secretary of State for Scotland. Under Section 97 (2) of the Local Government (Scotland) Act 1973, the Accounts Commission for Scotland (the Commission) will secure the audit of the Board's Accounts on behalf of Scottish Ministers, and with recognition of any other appropriate sections of this Act.

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- 4.2.2 The audit will be carried out in accordance with the Audit Scotland Code of Audit Practice and such other relevant legislation, directions and guidance as may be in force at the time.
- 4.2.3 The external auditor will discharge his reporting responsibilities under the Audit Scotland Code of Audit Practice by providing the following outputs from the audit:-
 1. an Audit Certificate on the Board's Statement of Annual Accounts;
 2. a Final Report to Board Members;
 3. Management Letters and other reports to management as required.
- 4.2.4 The Director of Finance will ensure that:-
 1. the external auditors receive full co-operation in the conduct of the audit;
 2. the Final Report to Board Members together with the audited Accounts are presented timeously to the Board for noting and adoption, and the adopted Accounts are subsequently forwarded to the Scottish Executive Health Department;
 3. action is taken in respect of all recommendations contained in the external auditor's reports and letters in accordance with the timetable agreed with the external auditor.

4.3 DIRECTOR OF FINANCE

- 4.3.1 The Director of Finance is responsible for:
 1. ensuring that there are arrangements to review, evaluate and report on the effectiveness of internal financial control by the establishment of an internal audit function headed by a Chief Internal Auditor [or Audit Manager if the service is outsourced] of sufficient status;
 2. ensuring that the internal audit service is adequate and meets NHS mandatory standards;
 3. ensuring that the Police and/or Procurator Fiscal are notified without delay in accordance with the Board's Fraud and Corruption Response Plan;
 4. ensuring that responses to internal audit reports are provided timeously and that internal audit recommendations are implemented as agreed.
- 4.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Board or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance will be notified immediately.
- 4.3.3 The Director of Finance, normally through the Chief Internal Auditor, will investigate cases of fraud, misappropriation or other irregularities in accordance with the Fraud and Response Plan approved by the Board.
- 4.3.4 The Director of Finance will ensure that there is adequate communication between the external and internal auditors to avoid unnecessary overlapping of work.

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4.4 INTERNAL AUDIT

4.4.1 The role of internal audit will be based upon the guidance contained in the NHS Internal Audit Standards issued by the Scottish Executive Health Department. These standards are mandatory and specifically it will be the responsibility of the Chief Internal Auditor to review, appraise and report upon:

1. the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
2. the adequacy and application of financial and other related management controls;
3. the suitability of financial and other related management data;
4. the extent to which the Board's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
 - (i) fraud and other offences (where malpractice is suspected, the Director of Finance shall be notified immediately).
 - (ii) waste, extravagance and inefficient administration, poor value for money or other causes;
5. the efficient use of resources;
6. the adequacy of follow up action to his reports;
7. post transaction monitoring of property transactions in accordance with the provisions of the NHS Property Transaction Handbook.

4.4.2 The Chief Internal Auditor [or Audit Manager if the service is outsourced] will be entitled, without necessarily giving prior notice, to require and receive:

1. access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case there will be a duty to safeguard that confidentiality);
2. access at all reasonable times to any premises or land of the Board;
3. the production or identification by any employee of any Board cash, stores, or other property under the employee's control; and
4. explanations concerning any matter under investigation.

4.4.3 The Internal Auditor will report directly to the Director of Finance, who will refer audit reports to the appropriate officers designated by the Chief Executive.

1. The timetable for completion of reports and provision of responses will be as agreed between the Chief Internal Auditor and the Director of Finance.
2. Where, in exceptional circumstances, the use of normal reporting channels would be seen as a possible limitation of the objectivity of the audit, the Chief Internal Auditor will seek the advice of the Chairman of the Audit Committee or Chairman or Vice Chairman of the Board.
3. Failure to take any necessary remedial action within a reasonable period will be reported to the Chief Executive.

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- 4.4.4 The Chief Internal Auditor and Audit Manager if the service is outsourced, will normally attend Audit Committee meetings and has a right of access to the Chairman of the Board, all Audit Committee Members and other Members of the Board.
- 4.4.5 The Chief Internal Auditor will prepare an annual audit report for consideration of the Audit Committee. The report must cover:
1. A statement on the adequacy and effectiveness of the Board's internal controls based on the audit work undertaken during the year;
 2. Major internal control weaknesses identified;
 3. Progress on the implementation of internal audit recommendations;
 4. Progress against the internal audit annual plan over the previous year.
- 4.4.6 The Chief Internal Auditor [or Audit Manager if the service is outsourced] will prepare a strategic audit plan for consideration and approval of the Audit Committee. The plan will normally cover a period of three years and will be based on an assessment of the risks facing the Board. Each year the Chief Internal Auditor should update the plan and re-present it to the Audit Committee for approval.
- 4.4.7 The Strategic Audit Plan will be translated into an agreed Annual Plan which identifies the specific subjects to be audited in the coming year including any provision for contingencies and ad hoc work.

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SECTION 5

BANKING ARRANGEMENTS

5.1 GENERAL

- 5.1.1 The Director of Finance is responsible for managing the Board's banking arrangements and for advising the Board on the provision of banking services and the operation of accounts, including the levels of delegated authority.

5.2 BANKING PROCEDURES

- 5.2.1 All funds will be held in accounts in the name of the Board and accounts may only be opened by the Director of Finance
- 5.2.2 Only authorised signatories may draw on these accounts. The Director of Finance will approve and maintain a list of authorised signatories for this purpose.
- 5.2.3 All transactions relating to Board business (except petty cash disbursements) must be reflected through these accounts.
- 5.2.4 The use of Board funds for making personal loans or for cashing personal cheques is not permitted.
- 5.2.5 The Director of Finance is responsible for:
1. establishing bank accounts and Paymaster General Office (PGO) accounts;
 2. establishing separate bank accounts for the Board's non-exchequer funds;
 3. defining the use of each account;
 4. ensuring that payments made from bank or PGO accounts do not exceed the amount credited to the account except as detailed in section 6.3 below.
- 5.2.6 The Director of Finance will prepare detailed written instructions on the operation of bank and PGO accounts which must include:
1. The conditions under which each bank and PGO account is to be operated;
 2. A list of those authorised to sign cheques or other orders drawn on the Board's accounts, including specimen signatures and the level of authority delegated to each signatory.
- 5.2.7 The Director of Finance must advise the Board's bankers in writing of the conditions under which each bank and PGO account is to be operated. This will include a list of authorised signatories with specimen signatures and the level of authority delegated to each.
- 5.2.8 The Director of Finance will advise the Board's bankers of the conditions under which any on-line banking service to which the Board subscribes is to be operated, including lists of those authorised to approve transfers between accounts and BACS payments to other bodies, together with levels of authority.

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5.3 BANK ACCOUNTS

- 5.3.1 A main account (the No 1 Account) will be maintained and shall be used only for:
 1. Lodgement of income received as appropriate to each account;
 2. The funding of subsidiary accounts; and
 3. Other payments not processed through subsidiary accounts or the PGO account.
- 5.3.2 The balances of accounts holding exchequer funds should not exceed £50,000. Subsidiary accounts may not be overdrawn.
- 5.3.3 The main account (No. 1) will be permitted to be overdrawn, only to the extent of any combined net credit balance on subsidiary bank accounts maintained at the same branch in the same name and in the same right. Overdrafts must be secured by an appropriate guarantee from the Secretary of State in accordance with the guidance issued by the Scottish Executive Health Department.
- 5.3.4 All procedures in relation to PGO banking must be operated in accordance with the provisions contained in the Paymaster Banking Services User Guide dated June 1996.

5.4 TENDERING AND REVIEW

- 5.4.1 The Director of Finance will review the banking arrangements of the Board at regular intervals to ensure they reflect best practice and represent best value for money.
- 5.4.2 Banking services will be subject to the procurement procedures set out in Section 10 of these Instructions.

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SECTION 6

INCOME, SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

6.1 INCOME SYSTEMS

- 6.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 6.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

6.2 FEES AND CHARGES

- 6.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by Scottish Executive Health Department or by Statute, and seeking approval thereof from the Board at least annually. Independent professional advice on matters of valuation shall be taken as necessary.
- 6.2.2 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements and other transactions. The Director of Finance will ensure a register is maintained to secure all income to which the Board is entitled.
- 6.2.3 Fees may be waived only on the authority of the Chief Executive or Director of Finance (or authorised nominee).

6.3 DEBT RECOVERY

- 6.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 6.3.2 Income not received should be dealt with in accordance with losses procedures.
- 6.3.3 Overpayments should be detected (or preferably) prevented and recovery initiated.

6.4 SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

- 6.4.1 The Director of Finance is responsible for:
 1. approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 2. ensuring the appropriate ordering and secure control of any such stationery;
 3. the provision of adequate facilities and systems for employees whose duties include collecting and holding of cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
 4. prescribing systems and procedures for handling cash and negotiable securities on behalf of the Board.
- 6.4.2 Official money shall not under any circumstances be used for personal loans or the encashment of private cheques.

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SECTION 7

PLANNING HEALTHCARE

- 7.1 The Board will approve, within the context of a five year Local Health Plan, the particular arrangements for healthcare services for the population within the coming year. The Health Improvement Programme will be submitted to the Board by the Chief Executive and produced in accordance with agreed National and Board objectives.
- 7.2 The Chief Executive is responsible for ensuring appropriate healthcare agreements are in place with appropriate service providers and
 - 7.2.1 must ensure that agreements for healthcare are made with due regard to the guidance on planning and priorities issued by the Scottish Executive Health Department, as well as the need to achieve value for money and to minimise risk; agreements must ensure that the agreed activity levels are appropriate in terms of the demand for services and the Board's allocation;
 - 7.2.2 must report to the Board at regular intervals on progress on discussions with healthcare providers in setting such agreements; and
 - 7.2.3 must, in conjunction with the Director for Planning and Community Care and the Director of Finance, ensure that all services required are covered by appropriate provider agreements or that adequate provisions are made to commission services provided by non-NHS organisations.
- 7.3 Where services are provided by NHS organisations, the Board is responsible for approving annual allocations to those individual Divisions within Glasgow and Boards outwith Glasgow.
 - 7.3.1 Where services are provided by non-NHS organisations, the Board is similarly responsible for approving annual budget provisions for the healthcare purposes specified. In addition, the Director of Finance must ensure that services have been procured in line with arrangements set out in these SFIs.
- 7.4 The Director of Finance must:
 - 7.4.1 establish and maintain a system for the verification and payment of agreed values in accordance with the agreement terms and national guidance;
 - 7.4.2 ensure that all systems operate in such a way as to maintain patient confidentiality; and
 - 7.4.3 ensure that the total value of healthcare agreements placed are within the resources available to the Board.
 - 7.4.4 establish and maintain procedures for the handling of charges in respect of Unplanned Activity Contracts [UNPAC] and Out of Area Treatment Services [OATS] in accordance with the guidance issued by the Scottish Executive Health Department.

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SECTION 8

PAY EXPENDITURE

8.1 REMUNERATION COMMITTEE

8.1.1 The Board will establish a NHS Greater Glasgow Staff Governance Committee whose composition and remit will be approved by the NHS Board. The NHS Greater Glasgow Staff Governance Committee will establish:-

a Remuneration Sub Committee to consider the remuneration of Executive Directors within the NHS Board area;

The Remuneration Sub Committee will in addition undertake a governance role in reviewing the processes and mechanisms of the **remunerative arrangements for all Managers on Performance Pay** to ensure consistent application of the methods of objective setting, appraisal of performance and remuneration decisions.

8.1.2 The Board will remunerate the Chairman and Non-executive Directors in accordance with the instructions issued by Scottish Ministers.

8.2 STAFF APPOINTMENTS

8.2.1 Directors or employees authorised to do so may engage, re-engage or regrade employees, or hire agency staff, only within the limit of their approved budget and financial establishment. All appointments must be in accordance with approved Human Resources and Staff Governance Policies.

8.3 PROCESSING OF PAYROLL

8.3.1 The Director of Finance is responsible for:

1. ensuring that appropriate payroll services are provided to meet the Board's needs;
2. advising the Board on the affordability of pay agreements;
3. ensuring that there are appropriate operating policies and procedures in place to control all pay expenditure;
4. maintaining a list of all officers duly authorised to approve pay expenditure and changes;
5. approving the form of time records, pay sheets and other pay records and notifications.

8.3.2 The Director of Finance will issue instructions regarding the policies and procedures which are to be applied in respect of all pay related matters.

8.3.3 Regardless of the arrangements for providing the payroll service, the Director of Finance will ensure that the chosen method is supported by appropriate **management arrangements**, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

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8.4 PROCESSING OF EXPENSES

- 8.4.1 The Director of Finance will ensure that all expenses claimed by employees of the Board or outside parties are reimbursed in line with the relevant Whitley Council regulations. Claim forms for expenses will be in a format approved by the Director of Finance, and will be completed and authorised by an officer approved by the Director of Finance. Such forms will be accompanied by supporting vouchers and will be submitted in accordance with the timetable determined by the Director of Finance.

8.5 CONTRACT OF EMPLOYMENT

- 8.5.1 The Head of Board Administration will be responsible for;
1. ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
 2. ensuring that variations to, or termination of, contracts of employment are dealt with by the appropriate officer, in line with the procedure in place for such instances.

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SECTION 9

NON PAY EXPENDITURE

9.1 DELEGATION OF AUTHORITY

- 9.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.
- 9.1.2 In all aspects of non pay transactions, all employees must comply with the Scheme of Delegation.

9.2 PROCUREMENT

- 9.2.1 The Director of Finance will:

1. advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained;
2. ensure these thresholds are regularly reviewed;
3. ensure the preparation, maintenance and issue of procedural instructions on the procurement of goods, works and services incorporating these thresholds.

9.2.2 Purchase Requisitions

Up to £15,000

Requisitions for goods and services should be authorised by the relevant budget holder. For this purpose, the budget holder is defined as the chief officer or employee with delegated authority to manage finances (income and expenditure) for a specific area. The Director of Finance will approve and maintain a list of authorised signatories for requisitions.

£15,001 and above

Purchase requisitions should be signed by the relevant Director or Head of Department or Assistant Director.

These thresholds are exclusive of VAT where recoverable and inclusive when not recoverable.

Lower limits may be set to reflect local operational situations.

- 9.2.3 No requisition should be approved by a budget holder which will give rise to an overspend without the prior approval of the Chief Executive or Director of Finance.
- 9.2.4 The requisitioner, in choosing the item to be supplied or the service to be performed shall always obtain the best value for money for the Board; guidance on this issue is contained in Section 10 - Tendering. In cases of doubt, the advice of the Director of Finance should be obtained.
- 9.2.5 Purchase orders will only be signed by the Board's approved ordering officers as specified in the Scheme of Delegation.
- 9.2.6 The Board will approve the officers authorised to sign purchase orders.

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- 9.2.7 No goods or services may be ordered without the use of the Board's official order form and no officer of the Board is permitted to make commitments outwith the official indenting and ordering processes unless the goods or services being procured have been generally or specifically exempted from these processes by the Chief Executive or Director of Finance. All such exemptions granted will be recorded in a register by the Director of Finance and reported to the Audit Committee on a regular basis.
- 9.2.8 Employees should not commit the Board to the purchase of goods or services in advance of a purchase requisition and purchase order being approved.

9.3 PAYMENT OF ACCOUNTS

- 9.3.1 The Director of Finance will be responsible for issuing procedural instructions covering the procurement process and the procedures for the verification, recording and payment of accounts and claims payable. These procedures will ensure that:
1. properly authorised accounts and claims are paid promptly in accordance with the terms of the Late Payment of Commercial Debt (Interest) Act 1998 and subsequent amendments: payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance;
 2. payment for goods and services is only made once the goods and services are received (except as below).
- 9.3.2 Payments should not normally be made in advance of the need i.e. before the liability to pay has matured. However, there may be certain exceptional circumstances where it is in the Board's interests to make a prepayment. Where the amount payable is less than £1,000, the appropriate Director or Head of Department will approve the prepayment. Where the prepayment is £1,000 or more,
1. the appropriate director must provide in writing, a case setting out all the relevant circumstances of the transaction including the effects on the Board if the supplier is unable to meet his commitments at any time during the course of the prepayment period.
 2. the Director of Finance will have to confirm approval of the proposed arrangements before contractual arrangements proceed;
 3. the budget holder is responsible for ensuring that all items due under a prepayment contract are received and must immediately inform the Director of Finance if problems are encountered.
 4. The appropriate redress identified at (1) above is initiated.
- 9.3.3 Regardless of the arrangements for providing Payment services the Director of Finance will ensure that the chosen method is supported by appropriate terms and conditions, adequate internal controls and audit review processes.

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SECTION 10

TENDERING

10.1 BUDGET PROVISION

10.1.1 No order will be placed or contract let for goods or services where there is no budget provision unless authorised by the Chief Executive.

10.2 COMPETITIVE TENDERING

10.2.1 The following thresholds will apply to the procurement of all goods and services:-

Up to £15,000

National and local contracts should be used. Where these do not exist, it will be necessary to demonstrate that value for money is being obtained from the purchase and to provide an audit trail;

£15,001 - £100,000

Three written quotations will be obtained and retained for twelve months;

Over £100,000

Formal competitive tendering to a "free market". European Community rules apply to the award of contracts for supplies, works and services above specified thresholds. These thresholds vary according to the nature of the contract and the rates applicable from January 2004 to December 2005 are set out in Appendix 2.

The above thresholds are exclusive of VAT where recoverable (and inclusive where not recoverable).

10.2.2 The procurement of goods and services will not be sub divided into smaller lots in order to circumvent the requirement to obtain competitive quotations or tenders.

10.2.3 When goods or services are being procured for which quotations or tenders are not required and for which no contract exists, it will be necessary to demonstrate that value for money is being obtained. The nature of certain of the goods and services may make it difficult to meet this requirement. In the following cases, the appropriate Director or Head of Board Administration or Nursing Adviser to the Board must therefore sign the purchase requisition to confirm the approval of the purchase and that in their opinion, the purchase offers value for money:-

- design and print for subsequent "call off" requirements;
- specific information technology to existing technical requirements;
- management consultancy providing specialist expertise;
- voluntary or charitable organisation providing specialist healthcare and related services.

10.2.4 Competitive tenders for the supply of all goods and services can be waived under the following circumstances:-

1. the supply or disposal is for goods or services of a special nature or character in respect of which it is not possible or desirable to obtain competitive tenders;

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2. in cases of emergency where it is not practical;
 3. the supply or disposal is for those items of pharmaceutical stock which the Pharmaceutical Policy Adviser determines as not appropriate to obtain competitive tenders;
 4. where a national contract exists for the goods and services being procured; in this case, the purchase order must be signed by the Chief Executive or Director of Finance (or authorised nominee) if the value exceeds £100,000.
 5. in cases where negotiation with a single tenderer has been approved by the Chief Executive: in such cases, it will be necessary to demonstrate that the Board will receive value for money from the purchase.
- 10.2.5 The waiving of competitive tendering will be approved in writing by the relevant Director/Head of Department or Assistant Director.
- 10.2.6 In all cases where competitive tendering is waived, a report will be submitted immediately to the Director of Finance who will report all such cases to the Audit Committee on a quarterly basis.
- 10.2.7 The Head of Control and Support Services will prescribe standard conditions of contract appropriate to each class of supplies and services and for the execution of all works. All contracts entered into will incorporate these conditions.
- 10.2.8 The procedures for tendering for the supply of goods and services should apply to the disposal of assets other than property where the estimated value is expected to exceed £1,000. Where the expected value is less than £1,000, the Director of Finance will issue procedures which are transparent and ensure that the Board receives value for money.
- 10.2.9 Where the supply or disposal is estimated to be within the limits laid down in Section 10.2.1, but in practice proves to be beyond those limits, a report will be submitted to the Director of Finance.
- 10.3 **TENDERING PROCESS**
- 10.3.1 A record will be maintained of all invitations to tender.
 - 10.3.2 Tenders will be invited in plain sealed envelopes addressed to the Chief Executive. The envelopes will be marked "Tender for" but will not bear the name or identify the sender.
 - 10.3.3 Unopened tenders will be date-stamped and stored unopened in a secure place until after the closing date or time.
 - 10.3.4 Tenders will be opened as soon as possible after the stated closing date and time by an officer nominated by the Chief Executive in the presence of an independent witness. Both officers will initial each tender received. The Head of Control and Support Systems will maintain a list of officers approved to open tenders and to witness the opening of tenders.
 - 10.3.5 Details of each tender received should be entered in a register or record of tenders and will be signed by both officers.

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- 10.3.6 Where it is in the interests of the Board, late, amended, incomplete, qualified or not strictly competitive tenders may be considered. In such circumstances a full report will be made to the Chief Executive or authorised nominee who may admit such tenders. Where a company invited to tender requests a delay in the submission, deferment if approved, will be notified in writing to all those invited to tender.
- 10.3.7 The examination of the tenders received will include a technical assessment and a report in writing on the result and containing a recommendation should be made to the Chief Executive or authorised nominee.
- 10.3.8 The Chief Executive and/or designated Executive Director may accept the tender, provided it is the lowest (or for disposals, the highest) and has been recommended for acceptance and that financial provision is available. If it is proposed to accept a tender other than the lowest, the Chief Executive or authorised nominee will record the reason for this decision.
- 10.3.9 Nothing in this Standing Financial Instruction will enable any officer to deviate from the EC procurement rules or the regulations or guidance issued by the Scottish Executive Health Department. Works estimated to cost less than the prescribed limits will be carried out on a jobbing basis by contractors on approved jobbing lists negotiated by the Board.
- 10.3.10 The Chief Executive and/or a designated Executive Director is authorised, on behalf of the Board, to accept tenders and award contracts up to a value of £1,500,000 (excluding VAT), provided prior approval has been received from the Board for the plans to which the tender or contract relates. Such tenders and contracts so awarded will be reported to the Board quarterly for noting. Tenders and contracts in excess of this amount will require to be submitted to the Scottish Executive Health Department for approval. [See also Section 12 of these Instructions.]

10.4 TRANSACTIONS INVOLVING PROPERTY

- 10.4.1 All transactions involving property will be conducted in accordance with the procedures set out in the NHS Property Transaction Handbook and with guidance set out in HDL (2002)40.

10.5 STANDARDS OF BUSINESS CONDUCT

- 10.5.1 The Board will be made aware of all cases where a Director or employee, or his close relative or associate, has a controlling and/or significant financial interest in a business (including a private company, public sector organisation, other NHS employer and/or voluntary organisation), or in any other activity or pursuit, which may compete for an NHS contract to supply either goods or services to the employing authority.
- 10.5.2 It is the responsibility of each Director or employee to declare such interests to the Head of Board Administration either on taking up their appointment or on acquisition of the interest or where such an issue arises that could bring into question the independence of the Director or employee. The Head of Board Administration will maintain a
 - Register of Board Members Interests;
 - Register of Staff Interests

Both Registers will be available for public inspection.

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10.5.3 The foregoing requirements are set out in the Standards of Business Conduct issued by the Scottish Executive Health Department under NHS MEL (1994) 80. These Standards are incorporated into the contract of employment of each Director and employee.

10.6 ACCEPTANCE OF GIFTS AND HOSPITALITY

- 10.6.1 The Standards of Business Conduct contain the following guidance on the acceptance of gifts and hospitality. This guidance is incorporated in the contract of employment of each Director and employee.
- 10.6.2 Casual gifts offered by contractors or others, e.g. at Christmas time should be declined. Articles of low intrinsic value however such as diaries or calendars need not necessarily be refused. In cases of doubt staff should either consult their line manager or politely decline the offer.
- 10.6.3 Where an unsolicited and inappropriate gift is received and the employee is unable to return it or the donor refuses to accept its return, the circumstances should be reported to their Director/Head of Department and to the Head of Control and Support Systems who will record the details in a Register of Gifts and Hospitality.
- 10.6.4 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 offer. All hospitality accepted should be reported to the appropriate Director/Head of Department and to the Head of Control and Support Systems who will record the details in the Register of Gifts and Hospitality.

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SECTION 11

STORES

- 11.1 The Director of Finance will ensure that there are adequate arrangements in place to control stock owned by the Board. These arrangements should include the monitoring and control of the performance of any third party supplying storage and distribution services for stock owned by the Board.
- 11.2 In developing systems and controls, the cost associated with such controls should be weighed against the potential benefits to ensure they are cost effective. Where a complete system of stores control is not justified, the Director of Finance will ensure that the alternative arrangements are satisfactory.
- 11.3 Stocks which have deteriorated, are not usable for any other reason for their intended purpose or have become obsolete which should be reported to the Director of Finance for recording in the Register of Losses (see Section 15 of these Instructions) and written down to their net realisable value.

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SECTION 12

**CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS
AND SECURITY OF ASSETS**

12.1 GENERAL

12.1.1 Capital Planning and Approval Processes were delegated to Health 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.

12.1.2 These Instructions should be read in conjunction with the Scottish Capital Investment Manual issued by the Scottish Executive Health Department. For property transactions, the relevant guidance is contained in the NHS Property Transaction Handbook. The requirements for the preparation of business cases remains contained in the relevant sections of MEL (1998)46, although this is due to be updated by Scottish Executive Health Department.

12.1.3 These instructions are supported by detailed procedures.

12.2 CAPITAL INVESTMENT

12.2.1 The Chief Executive

1. will ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
2. is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
3. will ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges.

12.2.2 For every capital expenditure proposal the Chief Executive will ensure:

1. that a business case is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
 - (ii) appropriate project management and control arrangements; and
2. that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

12.2.3 The Director of Finance will:

1. At least once per year, review the bases and assumptions used for allocating capital funds. This review will include proposals for which business case approval has been given and will note as relevant any timing considerations. Such requirements will be considered alongside requirements to meet on-going equipment (including ICT), plant and buildings renewals.

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2. Submit to the Board for approval at any early stage in each financial year, a Capital Investment Plan detailing sources of funding and proposed allocation, including any sums to be held in reserve.
 3. Ensure that the Capital Plan reflects the objectives set out in the Health Improvement Programme.
 4. Regularly report to the Board on significant changes to the initial allocation and the uses of such funds.
- 12.2.4 The following thresholds apply to the approval for capital investments and to disposal of assets [HDL (2002)40 refers].

Non IT Projects – Until 31 March 2004

Board approval for a single business case with a project value of up to £1.5m.

In excess of this figure, Scottish Executive Health Department approval required.

After 31 March 2004

Board approval for a project with a value up to £5m.

If the preferred option is to be procured through PPP/PFI, the business case must demonstrate how this option delivers better value for money than the Public Sector Comparator.

IT Projects

Board approval for a project life cost of less than £1m over the first four years. In excess of this sum, Scottish Executive Health Department approval required.

- 12.2.5 The Director of Finance will issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

PRIVATE FINANCE

- 12.3.1 The guidance relating to Public Private Partnerships (PPP) contained in the Scottish Capital Investment Manual should be regarded as part of these Instructions.
- 12.3.2 The Board will determine the nature and process of its scrutiny of PPP proposals. The role of the Board will be agreed from time to time in accordance with whatever guidance may be in force either locally (from the Chief Executive) or nationally (from the Scottish Executive Health Department).

ASSET REGISTERS

- 12.4.1 For the purposes of these Instructions, Fixed Assets will be defined in accordance with the guidance contained in the Scottish Capital Investment Manual and the Capital Asset Accounting Manual produced by the Scottish Executive Health Department.

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STANDING FINANCIAL INSTRUCTIONS**

- 12.4.2 The Director of Finance will maintain an Asset Register and he will ensure that all Fixed Assets are accurately and timeously recorded in the Register in accordance with the guidance contained in the Capital Asset Accounting Manual.
- 12.4.3 The Director of Finance will prepare and implement procedural instructions which will ensure that:-
- (1) additions to the fixed asset register are clearly identified to an appropriate budget holder and validated by reference to:
 1. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 2. stores, requisitions and wages records for own materials and labour including appropriate overheads; and
 3. lease agreements in respect of assets held under a finance lease and capitalised;
 - (2) where capital assets are sold, scrapped, lost or otherwise disposed of, their value is removed from the accounting records and each disposal validated by reference to authorisation documents and invoices(where appropriate);
 - (3) balances on fixed assets accounts in ledgers are reconciled to balances on the fixed asset register;
 - (4) the value of each asset is indexed to current values in accordance with methods as specified in the Capital Charges Manual;
 - (5) the value of each asset is depreciated using methods and rates as specified in the Capital Charges Manual and is consistent with the agreed depreciation policy of the Board;
 - (6) capital charges are calculated and paid as specified in the Capital Charges Manual.

12.5 **SECURITY OF ASSETS**

- 12.5.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 12.5.2 The Director of Finance will prepare and implement procedures for the control of assets (including fixed assets, cash, cheques and negotiable instruments). These procedures shall make provision for:
- (1) recording managerial responsibility for each asset;
 - (2) identification of additions and disposals;
 - (3) identification of all repairs and maintenance expenses;
 - (4) physical security of assets;
 - (5) periodic verification of the existence of, condition of, and title to, assets recorded;
 - (6) identification and reporting of all costs associated with the retention of an asset; and

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- (7) reporting, recording and safekeeping of cash, cheques and negotiable instruments.
- 12.5.3 The Director of Finance will ensure all discrepancies revealed by verification of physical assets to the fixed asset register are investigated in accordance with the procedures set out in Section 15 of these Instructions.
- 12.5.4 Whilst each employee has a responsibility for the security of property of the Board it is the responsibility of directors and senior employees in all disciplines to apply such appropriate routine security in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.
- 12.5.5 Any damage to the Board's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses (Section 15 of these Instructions).
- 12.5.6 Where practical, assets should be marked as Board property.
- 12.5.7 On the closure of any premises, a physical check will be carried out and a responsible officer designated by the Chief Executive will certify a list of items held showing their eventual disposal.
- 12.5.8 Assets with an estimated value greater than £1,000 should be disposed of in accordance with the procedures set out in these Instructions at 10.2.7 - Tendering. Where the estimated value is £1,000 or less, the Director of Finance or authorised nominee will approve the most appropriate method of disposal to ensure value for money to the Board.

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SECTION 13

FINANCIAL INFORMATION MANAGEMENT

13.1 COMPUTERISED FINANCIAL AND STATISTICAL SYSTEMS

- 13.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial and statistical data of the Board will:
1. devise and implement any necessary procedures to ensure adequate protection of the Board's data, programs and computer hardware for which he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
 2. ensure that adequate controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 3. ensure that adequate controls exist such that the computer operation is separated from systems development, maintenance and amendment;
 4. ensure that an adequate audit trail exists through the computerised system and that such computer audit reviews as he may consider necessary are being carried out.
- 13.1.2 The Director of Finance will satisfy himself 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 organisation, assurances of adequacy will be obtained from them prior to implementation.
- 13.1.3 The Director of Finance will ensure that contracts for computer services for financial and statistical applications with another health organisation, other agency or external supplier shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract will also ensure the rights of access for audit purposes.
- 13.1.4 Where another health organisation, other agency or external supplier provides a computer service for financial and statistical applications, the Director of Finance will periodically seek assurances that adequate controls are in operation.
- 13.1.5 Where computer systems have an impact on corporate financial systems, the Director of Finance **must be satisfied** that:
1. systems acquisition, development and maintenance are in line with corporate policies including the Board's ICT Strategy;
 2. data produced for use with financial systems is adequate, accurate, complete and timely, and that a management audit trail exists;
 3. Director of Finance staff have access to such data; and
 4. such computer audit reviews as are considered necessary are being carried out.

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13.2 RETENTION OF RECORDS

- 13.2.1 Records should be retained in accordance with the guidance contained in
- SHM 58/60 - Destruction of Hospital Records;
 - NHS MEL (1993) 152 - Guidance for the Retention and Destruction of Health Records.
- 13.2.2 The Head of Board Administration will issue guidance on this matter as required and in cases of doubt his advice should be obtained.

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SECTION 14

ENDOWMENT AND TRUST FUNDS

14.1 GENERAL

- 14.1.1 Endowment funds are defined as gifts, donations and endowments made under the relevant Charities legislation and held on trust for purposes relating to the National Health Service, the objects of which are for the benefit of the National Health Service in Scotland. The Directors of the Board act ex officiis as Trustees of the Endowment Funds.
- 14.1.2 The provisions of the Charities Accounts (Scotland) Regulations 1992 apply as the Inland Revenue recognise Endowment Funds of the Board as charitable funds and having charity status.

14.2 APPROVAL OF EXPENDITURE

- 14.2.1 Expenditure from Endowment Funds is restricted to the purpose(s) of the appropriate Fund and can only be made with the approval of the Board of Directors as Trustees. Such approval will be delegated to the Director of Finance to authorise expenditure from General Funds against approved budgets.
- 14.2.2 In the case of Specific Funds, expenditure can be authorised by Fundholders to the value of £100,000 without reference to the Trustees, subject to being consistent with the purpose for which the Specific Fund was originally established.

14.3 CUSTODY AND SECURITY OF ASSETS

- 14.3.1 All gifts must be held in the Board's name in bank accounts specified for Endowments and withdrawals may only be sanctioned by authorised signatories. The Board of Trustees can only accept gifts for purposes relating to the NHS or research. In cases of doubt, the Director of Finance should be consulted.
- 14.3.2 All share and stock certificates and other assets relating to Endowment Funds will be held in the name of Nominees approved by the Trustees and will be deposited with the Endowment Funds' bankers or in some other secure facilities as determined acceptable to the Director of Finance. The Director of Finance will ensure a record is kept of all share and stock certificates on behalf of the Board of Trustees and the other members of the Common Investment Pool. Property deeds will be held by the Central Legal Office.
- 14.3.3 Assets in the ownership of or used by the Board as corporate trustee shall be maintained along with the general estate and inventory of assets of the Board.

14.4 INVESTMENT

- 14.4.1 Endowment Funds will be invested subject to the following consideration:
 - (i) the Endowment Funds will be invested as part of the Common Investment Pool managed by the Board and the Greater Glasgow Health Nominees Investment Committee;
 - (ii) the decision of the Board as Trustees should be issued as instructions to the investment advisers under the Trustee Investments Act 1961, as amended.

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14.4.2 The Board of Trustees via the Greater Glasgow Health Nominees Investment Committee will be responsible for:

- (i) the formulation of investment policy;
- (ii) the appointment of advisers, brokers and investment managers and the review of their performance;
- (iii) reporting of investment performance.

14.4.3 The Director of Finance will be responsible for all aspects of the management of the investment of funds held on trust **and** will advise the Board of Trustees on the following:

- (i) participation in common investment funds;
- (ii) authorisation for the use of trust assets.

14.5 CONTROL OF ENDOWMENT FUNDS

14.5.1 The Director of Finance will prepare and issue procedures in respect of Greater Glasgow Health Board funds. These procedures should cover the following matters:

- (i) governing instruments for every fund;
- (ii) controls and authorisation to open new funds;
- (iii) treatment of offers of new funds;
- (iv) legacies and bequests;
- (v) controls over and authorisation of expenditure including lists of authorised signatories;
- (vi) the accounts and records necessary to account for all transactions;
- (vii) fund-raising;
- (viii) trading income;
- (ix) investment income;
- (x) regular reporting of balances to the Audit Committee.

14.5.2 The Director of Finance shall also be responsible for:

- (i) advising the Board on banking arrangements and with Board approval, securing the appropriate banking services;
- (ii) reporting to the Board receipt of funds, investment and any other matters agreed by the Board;
- (iii) preparing annual accounts in the required manner within the agreed time-scales;
- (iv) securing internal and external audit services;
- (v) reporting to the Board on the outcome of the annual audit;

**GREATER GLASGOW HEALTH BOARD
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- (vi) recovering administrative costs from trusts;
- (vii) ensuring that the Board's liability to taxation and excise duty is managed appropriately;
- (viii) obtaining legal advice.

14.6 COMMON INVESTMENT POOL

14.6.1 The Common Investment Pool comprises of the Board and the following **Divisions**:

- North Glasgow University Hospitals **Division**
- South Glasgow University Hospitals **Division**
- Primary Care **Division**

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SECTION 15

FRAUD, LOSSES AND LEGAL CLAIMS

15.1 FRAUD AND OTHER CRIMINAL OFFENCES

- 15.1.1 Any officer who has reasonable grounds to believe that fraud and/or corruption has occurred or that Board property including cash has been stolen should report the details without delay. The Fraud and Corruption Response Plan approved by the Board describes the ways in which such suspicions or concerns can be reported.
- 15.1.2 In accordance with the Fraud and Corruption Response Plan, the Director of Finance will ensure that:-
 - (i) an appropriate investigation is carried out into every case where the suspicions of fraud, corruption or theft appear to be well founded;
 - (ii) action is taken to prevent any further loss occurring;
 - (iii) the Police and/or the Procurator Fiscal are notified where there are *prima facie* grounds for believing that a criminal offence has occurred.

15.2 LOSSES AND SPECIAL PAYMENTS

- 15.2.1 The Director of Finance will prepare and issue procedural instructions on the recording of and accounting for condemnations, losses and special payments.
- 15.2.2 Any officer discovering or suspecting a loss of any kind will immediately inform his local manager who will in turn notify the Head of Control and Support Systems.
- 15.2.3 The Director of Finance will maintain a losses register in which details of all losses and compensations will be recorded as they are known.
- 15.2.4 The Board will approve the writing off of losses within the limits delegated to it from time to time by the Scottish Executive Health Department except that delegated responsibility may be given by the Board to the Chief Executive or other officer. Losses written off under this delegated authority will be reported to the Audit Committee of the Board. Details of the delegated levels of authority are given in the Scheme of Delegation.
- 15.2.5 No losses or special payments which exceed the limits delegated to the Board by the Scottish Executive Health Department will be made without their prior approval.
- 15.2.6 The Director of Finance is authorised to take any necessary steps to safeguard the Board's interest in bankruptcies and company liquidations.
- 15.2.7 For any loss, the Director of Finance will consider whether
 - (i) any insurance claim can be made against insurers;
 - (ii) legal action can be taken to recover all or part of the amount of the loss.

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**15.3 CLAIMS FOR MEDICAL/
CLINICAL NEGLIGENCE**

15.3.1 The Head of Board Administration will maintain a register of claims for medical and clinical negligence including details of payments made.

15.4 OTHER LEGAL CLAIMS

15.4.1 The Head of Board Administration will maintain a register of other legal claims e.g. under Health and Safety legislation.

15.5 DISPOSALS AND CONDEMNATIONS

15.5.1 The procedures for the disposal of assets are set out in these instructions at 10.2.7.

15.5.2 The Director of Finance will prepare and issue procedures for the recording and condemnation of all unserviceable items.

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SECTION 16

PATIENTS' PRIVATE FUNDS AND PROPERTY

- 16.1 Where the Board contracts with a private, voluntary sector or non NHS body for the provision of patient care, the Director for Planning and Community Care is responsible for ensuring that the relevant contract specifies standards to be adopted for the administration and management of patients' private funds and property.
- 16.2 Detailed written instructions on the collection, custody, recording, safekeeping and disposal of patients' funds and property including instructions on the disposal of the property of deceased patients and patients transferring between locations and/or care providers will be provided by the Patient's Affairs Manager, or equivalent, at the organisation responsible for the patient. These instructions will incorporate the guidance on this subject issued from time to time by the Scottish Executive Health Department.
- 16.3 These instructions will form the basis of the standards required contractually of health care providers in respect of the administration and control of patients' funds and property including partnership developments providing elderly care.

GREATER GLASGOW HEALTH BOARD STANDING FINANCIAL INSTRUCTIONS

APPENDIX 1

SCHEME OF FINANCIAL DELEGATION - SPENDING LIMITS

The following thresholds apply to the approval for capital investments and to disposal of assets (HDL (2002)40 refers).

Non IT Projects – until 31 March 2004

Board approval for a single business case with a project value of up to £1.5m.

In excess of this figure, Scottish Executive Health Department approval required.

After March 2004

Board approval for a project with a value up to £5m.

IT Projects

Board approval for a project life cost of less than £1m over the first four years. In excess of this sum, Scottish Executive Health Department approval required.

The following thresholds apply to revenue expenditure: their application is subject to operational procedures as relevant in each Division. The limits will be reviewed annually, except where specific NHS or EC Guidance is received.

Tendering – Over £100,000

Formal competitive tendering to a “free market”. European Community rules apply to the award of contracts for supplies, works and services above specified thresholds. These thresholds vary according to the nature of the contract and the rates applicable from January 2002 to December 2003 are set out in HDL (2002)27. [see Annex 2]

The above thresholds are exclusive of VAT where recoverable (and inclusive where not recoverable).

Tendering - £15,001 - £100,000

Three written quotations will be obtained and retained for twelve months.

Lower limits may be set to reflect local operational situations.

Tendering – up to £15,000

National and local contracts should be used. Where these do not exist, it will be necessary to demonstrate that value for money is being obtained from the purchase and to provide an audit trail.

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APPENDIX 2

REVISION OF EC AND WTO PUBLIC PROCUREMENT THRESHOLDS

The national currency equivalents of the Supplies, Services and Works Directives and the WTO Agreement on Government Procurement have been revised with effect from 1 January 2004. The revised rates which will run until 31 December 2005 are as follows:

| <u>Supplies Contracts</u> | <u>From 1.1.04</u> |
|----------------------------------|---------------------------|
| Contracts | £ 99,695 |
| Indicative Notices | 485,481 |
| <u>Works Contracts</u> | <u>From 1.1.04</u> |
| All Contracting Authorities | 3,834,411* |
| Small Lots Provision | 647,308 |
| <u>Services Contracts</u> | <u>From 1.1.04</u> |
| Part A services other than R&D | 99,695# |
| Part B services and R&D | 129,462# |
| Small Lots Provision | 51,785 |
| Indicative Notices | 485,000 |

(Note: All NHSScotland bodies are WTO entities)

*With the exception of subsidised works contracts under regulation 23 of the Public Works Contracts Regulations 1991 which have a threshold of £3,236,542.

#The categories of the services which fall within Part A and Part B are detailed in Schedule 1 to the Public Services Contracts Regulations 1993.

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DRAFT

STANDING FINANCIAL INSTRUCTIONS

Approved April 1998

Revised at paragraph 15.1.3 from November 1998

Revised at various paragraphs (including renumbering) at April 1999

Revised October 1999

Revised April 2000

Revised April 2001

Revised September 2002

Revised March 2004

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NHS GREATER GLASGOW AUDIT COMMITTEE

Objectives

To ensure that in respect of the four Divisions and Board that make up NHS Greater Glasgow:

1. audit mechanisms and process are in place;
2. activities are within the law and regulations that govern the NHS in Scotland and;
3. an effective internal control system is maintained.

Composition

1. The Committee shall be appointed by the full Board and given a remit, including advice on the conduct of its business.
2. The Board shall nominate a minimum of nine Members. The Convenor will be appointed from the membership of the Committee. The Chairs of each of the Divisions' Audit Committee shall be members; in their absence or in circumstances where a Division would not be represented, a member of their Division Audit Committee should attend on their behalf. The Chairman of the Board shall not be a Member but shall have the right to attend meetings. As the Committee is responsible for the regularity of spend for NHS Greater Glasgow, other Board Members shall also have the right to attend.
3. A quorum shall consist of four Members, of whom two must be Members of Greater Glasgow NHS Board.
4. The Committee shall be able to require the attendance of any Director or member of staff.
5. The Head of Board Administration (or authorised nominee) shall perform the functions of Secretary to the Committee.

6. The external auditor shall normally attend at least one Audit Committee meeting each year, as shall the Director of Finance. The Committee shall have a discussion with the external auditors at least once a year, to ensure that there are no unresolved issues of concern. The Chief Internal Auditor shall normally attend the Committee's meetings.
7. Both the Chief Internal Auditor and the External Auditor shall be offered the opportunity to hold discussions with the Committee without the Director of Finance, Executive Directors or other Board staff being present.
8. The Board's Standing Orders, so far as applicable and unless otherwise specified, shall be the rules and regulations for the proceedings of the Committee.

Remit

The Committee shall systematically review the scope and performance of the Divisions' Audit Committee process (and receive the Minutes of their meetings). In addition, it has responsibility for ensuring the regulation of all Health Board specific financial processes and procedures. In this context it shall be responsible for:-

Internal Control and Corporate Governance

- Sharing of best audit practice throughout NHS Greater Glasgow and lessons learned/highlighted from Audit Reports.
- Gain maximum benefit from all Divisions and Board sharing the same internal and external auditors.
- Review of the Board's system of internal control and make recommendations to the Board regarding the Statement of Directors' Responsibilities in respect of Internal Financial Control.

- Review of Standing Financial Instructions and, where necessary, recommend changes to the Board.
- Evaluation of the Board's control environment and decision making process and report thereon to the Board at least annually.
- Review of the operational effectiveness and efficiency of the Board, including the commissioning of specific value for money and quality of service reviews.
- Approval of changes to financial procedures.
- Review of cases where the requirement to obtain competitive quotations and tenders is waived.

Review of Fraud and Corruption

- Review annually a report by the Director of Finance on the level of suspected and detected fraud and corruption within the Board, and on arrangements for prevention and detection.
- Review additions to the Register of Fraud.

Internal Audit

- Ensuring an effective internal audit service is provided.
- Reviewing the internal audit strategy and plan.
- Receiving internal audit progress reports.
- Reviewing the action taken in respect of audit recommendations.
- Reviewing the internal audit annual report.

External Audit

- Monitoring the performance of external audit to ensure receipt of a cost effective service.
- Reviewing external audit reports and management letters.
- Ensuring co-ordination between internal and external audit.
- Ensuring recommendations by external audit including those contained in value for money reports have been implemented as agreed.

Annual Accounts

- Review schedules of losses and compensations.
- Review accounting policy and recommend changes thereto, particularly in respect of the consolidated accounts of NHS Greater Glasgow.
- Review of Annual Accounts prior to consideration by the Board and make recommendations in respect of their approval by the Board.
- Review the External Audit Management letter in relation to NHS Greater Glasgow's consolidated accounts.
- To progress with individual Division matters affecting controls assurance and constituent financial accounts remaining unresolved against Internal and External Audit recommendations.

Risk

- Approve the Risk Management Strategy.
- Review at least annually the arrangements for risk management.
- Ensure mechanisms are in place to comply with the requirements of Clinical Negligence and Other Risk Indemnity Scheme (CNORIS) and Healthcare Governance Standard.

Other

- To consider and report on any other matters referred to it by the Board.
- To consider any items placed on the agenda by either the Convenor of the Committee, the Chief Executive or any Member.

Frequency

- The Committee will meet as required.

Reporting Arrangements

- The Committee will report to the Board by the submission of the Minutes of the meetings and submit such issues which it believes require consideration by the NHS Board.

August 2004

NHS GREATER GLASGOW HEALTH AND CLINICAL GOVERNANCE COMMITTEE

Objectives

1. To ensure the clinical governance mechanisms are in place and effective throughout the NHS Greater Glasgow, including public health at the Board.
 2. To ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board.
- Composition**
1. The Committee shall comprise 2 non-executive Members from the Greater Glasgow NHS Board, the Chairs of each Division Clinical Governance Committee and shall have the power to co-opt up to 2 additional Lay Members from outwith the membership of the Greater Glasgow NHS Board.
 2. The Chair, Chief Executive, Director of Public Health, Nurse Adviser of Greater Glasgow NHS Board, and Divisions' Medical Directors, Divisions' Directors of Nursing and the Chair of the Area Clinical Effectiveness Committee shall be ex-officio Members of the Committee (without voting rights) in order to bring together the professional support required for the Committee to perform its functions.
 3. The Divisions' Chief Executives shall be invited to attend all meetings.
 4. The quorum of meetings of the Health and Clinical Governance Committee shall be 4 Members.

Remit

Greater Glasgow-Wide

1. The Committee shall systematically review the scope and performance of the Divisions' clinical governance processes and shall have the right (invested in those Committee Members without Division affiliation) to examine certain aspects of these by receiving reports or taking evidence from those in Divisions responsible for clinical governance.

2. The Committee shall act for the Board in ensuring that the clinical professions:
 - (a) engage in effective professional practice;
 - (b) operate so as to support the delivery of high quality care for the population of the Board's area – best met through systematic review of clinical practice;
 - (c) review practice in a systematic manner across Greater Glasgow and identify area-wide issues and consider differences in practice and the reasons for such differences;
 - (d) engage in continuing professional development.
3. The Committee, in conjunction with Division Clinical Governance Committees, shall identify and monitor issues of common concern for the purpose of setting priorities to be addressed on an area-wide basis.
4. The Committee shall be authorised by the Board to take whatever action is considered necessary to ensure high professional standards are maintained and shall respond promptly to any adverse reports from staff, patients or the public which question the clinical integrity of any of the Board's activities.

GGNHS Board Staff

5. The Committee shall systematically review the scope and performance of the Divisions' clinical governance processes and shall have the right (invested in those Committee Members without Division affiliation) to examine certain aspects of these by receiving reports or taking evidence from those in Divisions responsible for clinical governance.
6. The Committee, in conjunction with Divisions' Clinical Governance Committees, shall identify and monitor issues of common concern for the

purpose of setting priorities to be addressed on an area-wide basis.

7. The Committee shall report its proceedings to the Board, by the submission of the Minutes of meetings and ad hoc papers, and shall participate with other groups as required, such as the Area Clinical Effectiveness Committee and other representative bodies, in discharging its responsibilities.

Frequency

The Committee will meet 4 times a year, co-ordinating these meeting times with Divisions' Clinical Governance Committee meetings.

Reporting Arrangements

The Committee will report to the Board by the submission of the Minutes of meetings.

August 2004

NHS GREATER GLASGOW STAFF GOVERNANCE COMMITTEE

Objectives

- 1 To ensure that staff governance mechanisms are in place and effective throughout NHS Greater Glasgow.
- 2 To ensure that the principles and standards of the Staff Governance Committee are applied to all management practice within the organisations comprising NHS Greater Glasgow.

Composition

- 1 The Committee shall comprise the following members:
 - The NHS Board Chairman
 - The Chairs of the 4 Glasgow NHS Divisions
 - The Employee Director
 - Staff Side Chairs of the 5 Glasgow Local Partnership Forums
 - 2 x Chief Executives
 - 2 x Directors of Human Resources
- 2 Other Board/Divisions' Executive Directors shall be invited to attend meetings where appropriate.
- 3 The quorum for meetings of the Staff Governance Committee shall be 7 members, who must include one Board/Divisions' Chair, one Chief Executive *or* one Director of Human Resources, and one Staff Side Local Partnership Forum Chair.

Remit

- 1 The Committee shall support the creation of a culture within the health system, where the delivery of the highest possible standards of staff management is understood to be the responsibility of everyone working within the system and is built upon partnership and co-operation.
- 2 The Committee shall act for the Board in ensuring that structures and processes are in place to ensure that staff are::

- (a) well-informed
- (b) appropriately trained
- (c) involved in decisions which affect them
- (d) treated fairly and consistently
- (e) provided with an improved and safe working environment

- 3 The Committee shall, in conjunction with the Division and Board Local Partnership Forums, monitor and evaluate through the approval of local strategies and implementation plans.
- 4 The Committee shall be authorised by the Board to support any policy amendment, funding/resource submission to achieve the Staff Governance Standard.
- 5 The Committee shall be responsible for the timely submission of all the data required as part of the Performance and Accountability Framework.
- 6 The Committee shall establish (a) Remuneration Sub-Committee(s) which will consider remuneration of the Executive Directors and other staff employed under executive/senior manager pay arrangements within the NHS Board area.

Frequency

The Committee shall determine the frequency and timing of meetings.

Reporting Arrangements

The Committee shall report to the Board by the submission of minutes of meetings.

August 2004

NHS GREATER GLASGOW RESEARCH ETHICS GOVERNANCE COMMITTEE

CONSTITUTION

1 Terms of Reference

The NHS Greater Glasgow Research Ethics Governance Committee is appointed by Greater Glasgow NHS Board to oversee all of the Board's responsibilities for the establishment, support, training and monitoring of all NHS Local Research Ethics Committees (LRECs) within its geographical boundary as defined in Scottish Executive Health Department Governance Arrangements for NHS Research Ethics Committees in Scotland (2001) and any subsequent Guidance issued.

The Committee shall oversee and monitor the functions of the Local Research Ethics Committees within NHS Greater Glasgow with a view to leading to the harmonisation of procedures and the formation of a common set of criteria for considering ethical applications.

2 Functions

The Committee shall be responsible for the oversight of all matters pertaining to the proper functioning of all Local Research Ethics Committees in Greater Glasgow.

The Committee shall act for the Board in ensuring that its Local Research Ethics Committees are provided with the requisite training and education required to undertake their functions effectively.

The Committee shall act for the Board in ensuring that Members of all Local Research Ethics Committees in Greater Glasgow are properly indemnified in the discharge of their duties.

The Committee shall receive from all Local Research Ethics Committees in Greater Glasgow annual reports and these Local Research Ethics Committees shall report to the NHS Greater Glasgow Ethics Committee any issues requiring its attention.

The Committee shall be a central repository for reports and good practice and advise all Local Research Ethics Committees in Greater Glasgow of identified unethical practice etc.

3 Membership

Membership of the Committee shall consist of three Non Executive Members of the Board, one of whom shall act as its Convener, the Medical Director of each NHS Division within the Board area and the Board's Director of Public Health.

The Committee shall have the power to co-opt or invite attendance of any person whom it considers to be of assistance in its deliberations.

4 Quorum

The quorum for meetings of the Committee shall be the Convener and three other Members.

5 Number of Meetings

The Committee shall meet at least twice per annum.

6 Administrative Arrangements

The Head of Board Administration (or authorised nominee) shall undertake the functions of Secretary to the Committee.

7 Standing Orders

The Board's Standing Orders, so far as applicable and otherwise specified, shall be the rules and regulations for the proceedings of the NHS Greater Glasgow Research Ethics Governance Committee.

August 2004

NHS GREATER GLASGOW AREA CLINICAL FORUM

CONSTITUTION AND REMIT

1. *Introduction*

The Area Clinical Forum is constituted under “Rebuilding our National Health Service” – A Change Programme for Implementing “Our National Health, Plan for Action, A Plan for Change”, which emphasised that NHS Boards should both-

- draw on the full range of professional skills and expertise in their area for advice on clinical matters; and
- promote efficient and effective systems – encouraging the active involvement of all clinicians from across their local NHS system in the decision-making process.

The Forum will be called NHS Greater Glasgow Area Clinical Forum.

2. *Remit*

To represent the multi-professional view of the advisory structures for medical, dental, nursing and midwifery, pharmaceutical, optometric, professionals allied to medicine and local health care co-operatives to NHS Greater Glasgow ensuring the involvement of all the professions across the local NHS system in the decision-making process.

3. *Functions*

The core functions of the Area Clinical Forum will be to support the work of NHS Greater Glasgow by:-

- providing NHS Greater Glasgow with a clinical perspective on the development of the Local Health Plan and the Board's strategic objectives.
- reviewing the business of the Area Professional Committees to promote a co-ordinated approach on clinical matters among the different professions and within

the component parts of NHS Greater Glasgow;

- promoting work on service design, redesign and development priorities and playing an active role in advising NHS Greater Glasgow on potential service improvement;
- sharing best practice among the different professionals and actively promoting multi-disciplinary working – in both health care and health improvement;
- engage and communicate widely with local clinicians and other professionals, with a view to encouraging broader participation in the work of the Area Professional Committees.

At the request of NHS Greater Glasgow, the Area Clinical Forum may also be called upon to perform one or more of the following functions:-

- investigate and take forward particular issues on which clinical input is required on behalf of the Board where there is particular need for multi-disciplinary advice;
- advise NHS Greater Glasgow on specific proposals to improve the integration of services, both within the local NHS systems and across health and social care.

The Area Clinical Forum will review its functions periodically, in collaboration with NHS Greater Glasgow to ensure that they continue to fit local priorities and developments.

4. *Composition*

The Area Clinical Forum will comprise the Chairs and Vice Chairs (or Deputy acting on behalf of Vice

Chair) of the Area Professional Committees as follows:-

- Medical
- Dental
- Nursing and Midwifery
- Pharmaceutical
- Optometric
- Professions Allied to Medicine (PAMS)
- Local Health Care Co-operative.

In Attendance

Persons other than Members may be invited to attend a meeting for discussion of specific items at the request of the Chairman or Secretary. That person will be allowed to take part in the discussion but not have a vote. NHS Greater Glasgow Board's Director of Public Health, Pharmaceutical Adviser and Consultant in Dental Public Health shall be regular attenders at meetings of the Area Clinical Forum.

5. Sub-Committees

The Area Clinical Forum may appoint ad hoc Sub-Committees as appropriate to consider and provide advice on specific issues.

6. Term of Office

The Term of Office for Members will normally be up to four years. Individuals shall cease to be Members of the Area Clinical Forum on ceasing to be Chairperson/Vice Chairperson of their Professional Committee.

7. Officers of the Forum

(a) Chairman

The Chair of the Area Clinical Forum will be chosen by the Members of the Forum from among their number. The Forum's choice of Chair will be notified to the NHS Board Chair. Selection of the Chair will be an open process, and all Members who are Chairs of an Advisory Committee may put themselves

forward as candidates for the position. If more than one person puts themselves forward an election will be held by secret ballot.

The Chair of the Area Clinical Forum will, subject to formal appointment by the Minister for Health and Community Care, serve as a Non-Executive Director of NHS Greater Glasgow.

Membership of NHS Greater Glasgow is specific to the office rather than to the person. The normal term of appointment for Board Members is for a period up to four years. Appointments may be renewed, subject to Ministerial approval.

Where the Members of the Area Clinical Forum choose to replace the Chair before the expiry of their term of appointment as a Member of NHS Greater Glasgow, the new Chair will have to be formally nominated to the Minister as a Member of NHS Greater Glasgow for a decision of formal appointment to the Board.

In the same way, if Board Membership expires and is not renewed, the individual must resign as Chair of the Area Clinical Forum, but may continue as a Member of the Forum.

(b) Vice Chairman

A Vice Chairman of the Area Clinical Forum will be chosen by the Members of the Forum from among their number. Selection of the Vice Chair of the Forum will be an open process and all Members who are Chairs of an Advisory Committee may put themselves forward as candidates for the position. If more than one person puts themselves forward an election will be held by secret ballot.

The Vice Chairman will deputise, as appropriate, for the Chairman, but where this involves participation in the business of NHS Greater Glasgow, they will not be functioning as a Non-Executive Member.

The Vice Chairman will serve for a period of up to four years.

8. *Remit*

The Area Clinical Forum will meet at least four times each year. This can be varied at the discretion of the Chairman and meetings will normally be held in Dalian House.

The Forum has the right to alter or vary these arrangements to cover holiday months or other circumstances.

9. *Notice of Meetings*

Secretariat support to the Area Clinical Forum will be provided by NHS Greater Glasgow staff. The agenda and papers for the meetings will be issued at least one week in advance of the meeting date.

10. *Minutes*

The Minutes of the meetings of the Area Clinical Forum will be agreed with the Chairman of the Forum and will be sent to each Member with the agenda and papers for the next Forum meeting, for approval. Thereafter, Area Clinical Forum Minutes will go to the next available NHS Board meeting for information.

11. *Quorum*

A quorum of the Forum will be one third of its full membership. In the event that the Chair and Vice Chair are both absent, the Members present shall elect from those in attendance, a person to act as Chairperson for the meeting.

12. *Forum Decisions*

Where the Forum is asked to give advice on a matter and a majority decision is reached, the Chairman or Secretary shall report the majority view but shall also make known any minority opinion and present the supporting arguments for both viewpoints.

13. *Alterations to the Constitution and Standing Orders*

Alterations to the Constitution and Standing Orders may be recommended at any meeting of the Forum provided a Notice of the proposed alteration is circulated with the Notice of the Meeting and that the proposal is seconded and supported by two thirds of the Members present and voting at the meeting.

Any alterations must be submitted to NHS Greater Glasgow Board for approval as part of the annual review of Corporate Governance before the change is enforceable.

14. *Guest Speakers*

The Forum may invite guest speakers who it considers may have particular contribution to the work of the Forum to attend meetings.

*Shirley Gordon
Secretariat Manager
August 2004*

PERFORMANCE REVIEW GROUP

Objectives

- The Performance Review Group carries delegated responsibility with powers on behalf of the NHS Board for the:-
 - monitoring of organisational performance; and
 - resource allocation and utilisation.
- The Monitoring Group will require to ensure that there is a co-ordinated overview of performance across all domains of the Performance Assessment Framework.
- The Group's powers do not take away the responsibilities of the NHS Board for executive action.

Composition

- NHS Chairs (4)
- Local Authority Representation (3)
- Employee Director (1)
- Clinical Perspective (1)
- * Membership overlead
- The Group would meet on a two-monthly cycle (and more frequently, if required). All NHS Board Members will receive a copy of the papers, in advance of meeting, to allow those who are not members of the Performance Review Group to feed in thoughts/comments to the Chair/Officers of the NHS Board.
- All NHS Board Members will have the right to attend Performance Review Group meetings. The participation of those attending who are not Members of the Group will be at the discretion of the Chair/Group.
- The Minutes of the Performance Review Group will be submitted to the NHS Board for information (along with recommendations, as appropriate)..

Quorum

- One-third of membership.

Remit

Resources

- Reviewing and submitting to the NHS Board for approval the 5-Year Financial Strategy as an integral part of the local health planning process.
- Considering and providing advice to the NHS Board on annual financial allocations and investment plans as part of the updated Local Health Plan.
- Monitoring in-year financial performance across NHS Greater Glasgow.
- Providing recommendations to the NHS Board on the annual Capital Plan.
- Monitoring the annual capital expenditure programme.
- Providing recommendations to the NHS Board on key investment decisions including decisions affecting the procurement of the Acute Services Plan.

Organisational Performance

- Liaises with the Local Health Planning Steering Group and Local Authority Planning Committees on the setting of local priorities within the context of the Local Health Plan.
- Monitoring NHS Board's performance across the Performance Assessment Framework.
- Monitoring the progress on implementing the Action Plan agreed at the Annual Accountability Review meeting and the NHS Board's Corporate Objectives.
- Monitoring progress against key performance targets including achievements of national and local waiting time guarantees and targets.

August 2004

NHS GREATER GLASGOW
REMUNERATION SUBCOMMITTEE
MEMBERSHIP AND REMIT

Membership

The membership of the Remuneration Subcommittee is as follows:

- NHS Board Chairman
- Chairs of the Remuneration Groups formed for each body of NHS Greater Glasgow
- Employee Director

Remit

To determine the NHS Greater Glasgow Corporate Objectives for inclusion in the objectives of the NHS Executive Directors of the NHS Board and perform a governance role in terms of consistency of application of objective setting, appraisal of performance and remuneration decisions of the Executive Directors across the five Remuneration Groups.

The individual objectives of the Executive Directors are determined by the relevant Remuneration Group.

August 2004

NHS GREATER GLASGOW
PHARMACY PRACTICES COMMITTEE

MEMBERSHIP AND REMIT

Membership

- 1 The Committee shall comprise seven Members appointed by the Greater Glasgow NHS Board of whom:
 - (a) one shall be the Chairman appointed by the Greater Glasgow NHS Board from the Non-Executive Members of the Board;
 - (b) three shall be pharmacists of whom:-
 - (i) one shall be a pharmacist who is not included in any pharmaceutical list and who is not an employee of such person [known as Non-Contractor Pharmacist];
 - (ii) two shall be pharmacists each of whom is included in the Pharmaceutical List, or is an employee of a person who is so listed [known as Contractor Pharmacists];
 - (c) three shall be persons appointed by the Greater Glasgow NHS Board otherwise from the Members of the Board [known as Lay Members].
- 2 The Greater Glasgow NHS Board shall appoint deputies for the Members of the Committee in a like manner to the seven Members.
- 3 In making appointments to the Committee of Members and Deputies the Greater Glasgow NHS Board shall ensure that the eligibility criterion in paragraph 3 of Schedule 4 of the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 1995 (as amended) are met.
- 4 Members shall be appointed for a term of three years, but the Greater Glasgow NHS

Board shall reserve the right to remove any member at any time. Provided a quorum is present at any meeting, the proceedings of the Committee shall not be invalidated by any vacancy in its membership, or any defect in a Member's appointment.

Quorum

The quorum for Meetings of the Pharmacy Practices Committee shall be 5 members comprising:-

- Chairman (or Deputy Chairman)
- One Non-Contractor Pharmacist Member
- One Pharmacist Contractor Member
- Two Lay Members

(but see voting provisions at paragraph 4.2)

Terms of Reference

- 1 The Committee shall exercise the functions of the Greater Glasgow NHS Board in terms of Regulation 5(10) and paragraph 2 of Schedule 3 of the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 1995 (as amended) [determination of applications for general pharmaceutical contracts].
- 2 The Committee shall also be empowered by the Greater Glasgow NHS Board, to exercise other functions of as are delegated to it under the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 1995 (as amended) to the extent that those functions are not delegated to an officer of the Division under the Scheme of Delegation.
- 3 Any officer of the Division, with delegated authority in respect of the provision of General Pharmaceutical Services under Part II of the National Health Service (Scotland) Act 1978 (as amended), may refer to the Committee for determination any matter within the officer's delegated authority either as a matter of policy or in

respect of a specific issue and the Committee shall be authorised to determine such matters.

Procedures

The following procedures shall be adopted by the Committee:-

1 Declaration of Interest

Before the commencement of any meeting of the Pharmacy Practices Committee the Chairman shall ask the Members intending to be present whether, in respect of any matter to be considered, any of them has an interest to declare or is associated with a person who has any personal interest. Any Member who has disclosed such an interest, or in the opinion of the Chairman should have declared such an interest, shall not be present at the consideration or discussion of that matter or the voting on it.

2 Voting

Each application submitted to the Pharmacy Practices Committee under Regulation 5 (10) shall be discussed by all Members present at the meeting, but shall be determined by the following Members (if present):-

- (a) the Non-Contractor Pharmacist Member
- (b) the Lay Members

The Chairman (or Deputy Chairman acting as Chairman) shall not be entitled to vote except in the case of an equality of votes, in which case he or she shall have a casting vote.

In cases other than applications under Regulation 5(10) matters shall be determined by a majority of Members present and voting (including the Chairman (or Deputy Chairman if present)).

3 Determination of Applications

In considering all applications submitted to it the Committee shall have regard to the

provisions of the National Health Service (General Pharmaceutical Services) (Scotland) Regulations 1995 (as amended) with particular reference to :-

- (a) consultation with interested parties; and
- (b) criterion for the granting of pharmaceutical contracts.

4 Urgent Business

The Chairman of the Committee shall be empowered, in cases of urgency, (as to which the Chairman shall be the sole judge on each occasion) to determine matters falling within the remit of the Committee (with the exception of applications submitted under Regulation 5(10)) in circumstances where it is considered necessary that, as a matter of urgency, a decision should be reached on an application between the scheduled meetings of the Committee.

The Chairman shall not give approval to a proposal under this provision where there has been adverse representations received in response to the necessary consultation procedures carried out in respect of such matter or the Pharmaceutical Policy Adviser/Director of Pharmacy does not support the proposed decision.

Any decisions taken by the Chairman on grounds of urgency conforming to the criterion above shall be reported to the next meeting of the Pharmacy Practices Committee for confirmation.

In the absence of the Chairman, the Deputy Chairman may act as the Chairman for the purpose of this provision.

August 2004

NHS GREATER GLASGOW
INVOLVING PEOPLE SUBCOMMITTEE

Introduction and Background

The vision of an NHS that involves people in all aspects of the design, planning and delivery of healthcare services was first set out in the Scottish Executive's *Our National Health: A Plan for Action, A Plan for Change* (2000). This was followed at the end of 2001 by the strategy, *Patient Focus, Public Involvement* (PFPI) – the title of which has now been adopted as the name of the entire programme of change management it initiated. The strategy foresaw an NHS that involved people in

- their own care
- improving their health services
- deciding health service priorities and
- supporting health and well-being

Patient Focus, Public Involvement tasked NHS Boards in Scotland with establishing "sustainable frameworks" by 31 March 2003.

The means to achieve this in NHS Greater Glasgow were approved by the NHS Board on 17 December 2002. The paper approved by the Board (02/84) proposed the creation of a pan-Greater Glasgow Steering Group (subsequently re-named the Involving People Group) wedded to an initial action plan which mixed the establishment of an "infrastructure" to support the framework plus a range of pilot projects to develop and highlight best practice.

Remit

To ensure that NHS Greater Glasgow discharges its legal obligations to involve, engage and consult patients, the public and communities in the planning and development of services and in decision-making about the future pattern of services.

Responsibilities

- 1 To ensure the mainstream integration of the principles of Patient Focus and Public

Involvement in planning, delivering and sustaining services.

- 2 To scrutinise NHS Greater Glasgow services on a continuous basis to ensure implementation of best practice in achieving Patient Focus and Public Involvement.
- 3 Leading the development of a sustainable NHS Greater Glasgow Involving People Framework and ensuring that it is delivered via approved strategies and action plans across the totality of service provision.
- 4 Encouraging and promoting the skills required to deliver effective Patient Focus, Public Involvement among NHS staff and patient and local community representatives.
- 5 To ensure that delivery of Patient Focus, Public Involvement across NHS Greater Glasgow is co-ordinated, consistent and linked to the work of partner organisations, including community planning structures.
- 6 Reviewing, interpreting and supporting the implementation of national Patient Focus and Public Involvement objectives and priorities at the local level.
- 7 Driving the development, introduction and maintenance of corporate initiatives and structures to support the effective delivery of Patient Focus and Public Involvement.
- 8 Promoting dialogue with patients and public regarding progress with Patient Focus and Public Involvement
- 9 Linking with the new Scottish Health Council and supporting NHS Greater Glasgow's day-to-day relationship with its officers and advisory council members.

- 10 Facilitating continuous and formal annual accountability and quality assurance reviews as part of the accountability review process.
- 11 Ensuring the NHS Board is kept fully informed on progress in mainstreaming and delivering PFPI, in part by formally reporting to the Board on a quarterly basis.

Membership

Still to be agreed.

August 2004

NHS GREATER GLASGOW

SERVICE REDESIGN COMMITTEE

Introduction and Background

NHS Boards are expected to co-ordinate redesign activity by putting in place service redesign programmes and developing a Change and Innovation Plan that is specific, prioritised and resourced.

Plans must:

- demonstrate active participation by patients and leadership by clinicians
- challenge traditional boundaries of service delivery
- develop sustainable services
- ensure information systems support changing patterns of care

The Board considered, at its September 2003 meeting, the requirement in the White Paper, *Partnership for Care*, to establish a Service Redesign Committee. A subsequent NHS Board Paper, (03/67) set out final proposals with the aim of establishing a Committee which:

- adds value to the wide range of existing service redesign
- enables a wide range of professional and patient interests to participate

Functions

- 1 The Local Health Plan process should continue to be the core process for the allocation of resources, drawing together the full range of the Board's activities and priorities, however, the Committee should:
 - (a) have limited, non-recurring resources to pump prime redesign projects on a selected basis
 - (b) from endowment funds, provide bursaries to enable staff to free up time for redesign or access and fund additional training

- 2 The Committee should promote and give a profile to redesign work but not act as a clearing house for redesign proposals. That promotion and profile would include developing mechanisms to promulgate good practice and equip staff with the training, skills and support required for successful redesign activity.
- 3 The Committee may be used as a vehicle to consider and clear blockages which are obstructing service redesign.
- 4 The Committee will link to the Centre for Change and Innovation (CCI) to influence national policy.
- 5 The Committee may establish and sponsor a small number of significant redesign projects which address major service issues and are not being tackled through other routes.
- 6 The Committee will develop the Change and Innovation Plan drawing on the Local Health Plan and other redesign activity.
- 7 The Committee will consider how it can test the arrangements in each part of the NHS in Greater Glasgow to promote and deliver service redesign.

Membership

Membership of the Committee shall comprise:

- a Chair
- 4 representatives from the LHCC Committee
- 6 representatives from the Area Clinical Forum
- 3 representatives from each Division (North, South, Yorkhill, Primary Care)
- 4 NHS staff representatives from the Area Partnership Forum
- 6 members of staff

