

## **Review of Financial Governance**

### **The Board needs to update its Standing Financial Instructions (SFIs)**

Following a review by the Director of Finance it was identified that there were a number of areas in which the Board's standing financial instructions (SFIs) were out-of-date. It was also identified that a large number of changes would be needed in order to ensure that the SFIs were fit for purpose when integration is implemented in 2015.

At a CMT meeting last November it was agreed to amend the SFIs in two phases. The first phase would focus only on the changes needed in order to bring the SFIs up to date for 2013/14. That is what has been done and that work is reflected in this paper for Board approval. The second phase, which will be developed over this calendar year for subsequent Board approval, will involve significant further change to accommodate the advent of the new Health and Social Care Partnerships.

### **Key changes proposed**

The major changes required to bring the SFIs up to date, and incorporated in this version, were

- A general updating of capital expenditure instructions
- Clauses covering the use of contingency since the Board now has one in its plan.
- Clauses relating to the format and approval of business cases
- A high level scheme of delegation that acts as an umbrella for more detailed schemes

The changes proposed were discussed by the Audit Committee and scrutinised on 5 March 2014. They were endorsed. It was agreed that they would be presented to the Board for final approval.

Since that scrutiny there has also been a meeting of the Quality and Performance Committee (Q&P) on 18 March 2014 at which changes to its remit were discussed and agreed, some of which related to capital expenditure. The changes proposed for Q&P therefore prompted further discussions about the SFIs between the Chief Executive, the Director of Finance and the Board's Head of Administration and, as a result, some further changes have since been incorporated:-

- Amendments to the capital expenditure approvals process and limits that were originally discussed at the Audit Committee. This has been done so that they align better with the remit that was presented to the Quality and Performance Committee (Q&P) on 18 March 2014 and so that they accurately reflect its role in capital expenditure scrutiny and approval. Those changes were also discussed with the convener of Q & P.
- Other minor wording changes that improve consistency but do not substantially alter the previous version that was scrutinised by the Audit Committee on 5 March 2014.

### **Impact assessment**

This paper is essentially concerned with financial governance arrangements. It will necessitate compliance by staff but should have no other impact on staff, patients, services or equalities.

### **Recommendation**

The Board is asked to note the attached paper and approve the proposed Standing Financial Instructions and Scheme of Delegation (Appendices 1 and 2)

## **Rationale for changes proposed**

### **Introduction**

The Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of financial governance arrangements. An annual review of Financial Governance arrangements is normally carried out in April each year however a fundamental review has now been undertaken since the last review in April 2011. Following this review it is recommended that changes to the SFIs should be made in the following areas to reflect current organisational responsibilities and current guidance and legislation:

- Capital expenditure and property
- Use of Contingencies
- Format of business cases
- Approval of business cases

The case for change in each of these areas and the recommended changes are summarised in this paper. The Audit Committee at its meeting on 5 March 2014 reviewed the paperwork associated with the review of financial governance. The members were content with the changes submitted and endorsed the arrangements for the NHS Board's consideration.

### **Summary of Key Changes**

#### **Capital Expenditure and Property**

##### Case for Change:

The current SFI refers to posts which no longer exist in the current organisational structure; it makes no reference to the recently formed Consolidated Capital Planning Group, or the merger of the Capital Planning Group and Property Committee and it does not reflect the current delegated limits for capital expenditure beyond which CIG approval is required.

##### Proposed Changes:

The SFI has been updated to reflect these changes and clarify the process for authorisation of capital expenditure. The Capital Planning and Property Group (CPPG) will report to CMT in order to enable greater transparency over expenditure. The minutes from the divisional capital groups (Acute and Partnerships) will be submitted to CPPG.

The delegated limit for usage of formula capital will be £1.5m for any individual scheme for both Acute and Partnerships.

Any new capital scheme or a scheme which varies significantly from the approved Capital Plan will be approved by the relevant divisional capital planning forum before submission to CPPG. Business Cases for capital expenditure up to £1.5m will be approved by CPPG. Business Cases for capital expenditure between £1.5m and £5m will be approved by the Quality & Performance Committee (Q&P).

Any schemes over the Board's delegated limit of £5m (£2m IM&T) will be submitted to the Scottish Government Capital Investment Group (CIG) for final approval.

Third party developed schemes including hub and Capital Grants will be subject to the same approval process and approval limits.

To reflect joint schemes with, for example, Local Authorities, the SFIs will state that the same approval limits apply to the Board's contribution.

All changes to securities will require the approval of the Director of Finance since they affect our financial exposure and risk of bad debts.

**EMBARGOED UNTIL DATE OF MEETING.**

All disposals up to £1.5m require approval by CPPG. Disposals over £1.5m will require approval by the Q&P.

**Contingencies**

Case for Change:

There is no guidance in the current SFI on the use of contingencies.

Proposed Change:

The Financial Plan agreed by the Board contains a contingency of unallocated funds. The Chief Executive will have authority to allocate these funds during the year with CMT approval. Use of contingency funds will be reported to the Board and Q&P.

**Approval of business cases**

Case for Change:

The current guidance on business cases in the SFIs is very limited leading to inconsistency in the preparation of business cases across the organisation.

Proposed Change:

Business Cases for service redesign and additional services will be prepared in accordance with the guidance set out in the SFIs and Scottish Capital Investment Manual. Q&P approval will be required for all business cases where the revenue implication is over £5m. Business Cases where the revenue implication is between £1.5m and £5m will be approved by CMT with approval being noted by Q&P. Proposals where the revenue implication is up to £1.5m may be approved at divisional level where the revenue implications are funded by available budget. Any unfunded proposals below £1.5m or proposals which have an organisational impact will require approval by CMT.

**Paul James**  
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# Standing Financial Instructions

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Responsible Director	Director of Finance – Corporate & Partnerships
Approved By	NHSGGC Board
Date Approved	April 2014
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Replaces Previous Version	Standing Financial Instructions - 5th Revision, approved April 2011

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**SECTION 1**

**INTRODUCTION AND CODE OF CONDUCT FOR STAFF**

**1.1 GENERAL**

- 1.1.1 These Standing Financial Instructions (SFIs or Instructions) detail the financial responsibilities, policies and procedures to be adopted by NHS Greater Glasgow and Clyde (NHSGGC). 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.
- 1.1.2 These 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, and MEL(1994) 80, 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.
- 1.1.3 The SFIs identify the financial responsibilities that apply to everyone working for NHSGGC and its constituent organisations. They do not provide detailed procedural advice. However, financial procedural notes will be prepared to reflect the requirement of these SFIs. These statements should therefore be read in conjunction with the relevant financial operating procedures. Financial operating procedures and changes thereto, will be approved by the appropriate Audit Support Group.
- 1.1.4 Departmental heads with financial responsibilities will fulfil these responsibilities in a way that complies with the requirements of these Instructions, and will put in place, and maintain procedures that comply with the SFIs.
- 1.1.5 The SFIs are in themselves a component of a wider Risk Management Strategy that seeks to safeguard all of the processes of NHSGGC.
- 1.1.6 Failure to comply with SFIs is a disciplinary matter which could result in dismissal.
- 1.1.7 Nothing in these SFIs shall be held to override any legal requirement or SGHSCD directive.

**1.2 CODE OF CONDUCT FOR STAFF**

- 1.2.1 The Code of Conduct under the Ethical Standards in Public Life (Scotland) Act 2000 is issued to all NHSGGC Board Members on appointment and a condition of their appointment is acceptance of and compliance with the Code.
- 1.2.2 The Code of Conduct for Staff (the Code) incorporates the following documents:
- The Standards of Business Conduct for NHS Staff [NHS Circular MEL (1994) 48];
  - A Common Understanding 2012: Working Together for Patients;
  - The NHSGGC Whistleblowing Policy
  - The NHSGGC Fraud Policy.

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- 1.2.3 The Code provides instruction and guidance on how staff should maintain strict ethical standards in the conduct of NHSGGC business. It forms part of the NHSGGC standard contract of employment and all staff are required to adhere to the Code. Key principles underpinning the Code include the following:

NHSGGC is committed to the three essential public values.

**Accountability** Everything done by those who work in the organisation must be able to stand the tests of parliamentary scrutiny, public judgments on propriety and meet professional codes of conduct.

**Probity** Absolute honesty and integrity should be exercised in dealing with NHS patients, staff, assets, suppliers and customers.

**Openness** The Board's activities should be sufficiently public and transparent to promote confidence between the Board and its patients, its staff and the public.

To achieve and hold these values, the following key principles should be followed by staff in all their official business.

- Staff should ensure that the interests of patients remain paramount at all times.
- Staff should be impartial and honest in the conduct of their business and should remain beyond suspicion at all times. The Bribery Act 2010 makes it an offence to:
  - a) Offer, promise or give a bribe or
  - b) Request, agree to receive or accept a bribein return for improperly performing a function or activity.
- Staff should use the public funds entrusted to them to the best advantage of the service, always ensuring value for money.
- Staff should not abuse their official position for personal gain or to benefit their family and/or friends; or seek to advantage or further their private business or other interests in the course of their official duties.

- 1.2.4 In the first instance, employees should contact their line manager or Head of Department or Director for advice on the application of the Code.

### **1.3 TERMINOLOGY**

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

1. "NHS Greater Glasgow and Clyde" (NHSGGC) is the common name used to define the entity/organisation whose legal name is Greater Glasgow Health Board.
2. "Board" means the Management Committee of NHSGGC/Greater Glasgow Health Board, or such other Committee of the Board to which powers have been delegated.
3. "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 NHSGGC Board.
4. "Chief Officer" means any officer who is directly accountable to the Chief Executive i.e. Directors, Chief Operating Officers/Directors of Divisions/Partnerships and some Heads of Department.

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5. "Budget Holder" means the Chief Officer or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
6. "SGHSCD" means Scottish Government Health and Social Care Directorates.
7. "Director of Finance" means Director of Finance – Corporate and Partnerships, unless otherwise stated, or senior staff with delegated authority.
8. "Supervisory Body" means a committee established by the Board with delegated authority to discharge the Board's responsibilities under the Adults with Incapacity (Scotland) Act 2000.

### **1.4 RESPONSIBILITIES AND DELEGATION**

- 1.4.1 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. approving SFIs;
  4. defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation.
- 1.4.2 All directors and employees have a general responsibility for the security of the property of NHSGGC, for avoiding loss, for economy and efficiency in the use of resources and for complying 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.
- 1.4.3 It is the duty of the Chief Executive, managers and heads of department, to ensure that existing staff and all new appointees are informed of their responsibilities within these Instructions. Breaches of these Instructions will be reported to the Director of Finance.
- 1.4.4 Within these SFI's it is acknowledged that the Chief Executive is ultimately accountable to the Board for ensuring that NHSGGC meets its obligations to perform its functions within the available financial resources. The Chief Executive has overall responsibility for NHSGGC's activities and is responsible to the Board for ensuring that its financial obligations and targets are met.
- 1.4.5 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 NHSGGC's Finances, as set out in the Memorandum to National Health Service Accountable Officers by the SGHSCD in accordance with the Public Finance and Accountability (Scotland) Act 2000.
- 1.4.6 Without prejudice to the functioning of any other officer of NHSGGC, the Director of Finance will ensure:
  1. 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;
  2. the preparation, documentation, implementation and maintenance of NHSGGC's financial policies, procedures and systems in support of a comprehensive control environment;

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3. the co-ordination of any corrective action necessary to further these policies, procedures and systems;
  4. the preparation and maintenance of such accounts, costs, estimates etc. for the purposes of carrying out NHSGGC's duties and establishing with reasonable accuracy NHSGGC's financial position;
  5. the provision of financial advice to NHSGGC's Board and its officers;
  6. the accurate and timely submission to the Scottish Government Health and Social Care Directorates of Annual Accounts and such other reports, returns and monitoring information as may be required to allow the SGHSCD to discharge its responsibilities.
- 1.4.7 The Director of Finance may make minor changes to terminology contained in, or presentation of, these SFIs as required, without seeking approval. Any such changes will be reported to the NHS Board at the time of the annual review of these Instructions.
- 1.4.8 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.
- 1.4.9 Whenever the term "employee" is used it shall be deemed to include directors or employees of third parties contracted to NHSGGC when acting on behalf of NHSGGC.
- 1.4.10 All references in these Instructions to the singular form will be read as equally applicable to the plural.
- 1.4.11 All references in these Instructions to the masculine gender shall be read as equally applicable to the female gender.
- 1.4.12 Any reference to any legislation, provision or guidance should be construed as applying equally to any amendment or later publication of that legislation, provision or guidance.
- 1.4.13 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board without further intimation or action by the Board.

**SECTION 2**

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

**2.1** NHSGGC 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.

**2.2** **ALLOCATIONS AND REVENUE PLAN**

The Director of Finance 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 NHSGGC's entitlement to funds;
2. submit Financial Plans to the Board for approval, for both revenue and capital expenditure, detailing sources of income and the proposed application of those funds, including any sums to be held in reserve;
3. ensure that the proposed application of funds reconciles to the allocations received and other sources of income;
4. ensure that the Financial 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 Financial Plan reflects the objectives set out in the Corporate Plan and the Local Delivery Plan;
6. regularly report to the Board on significant changes to the initial allocation and the uses of such funds.

**2.3** **PREPARATION AND APPROVAL OF BUDGETS**

**2.3.1** 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 and Partnerships to provide services for the delivery of healthcare and will also identify funding required for the operation of the corporate functions of NHSGGC. Such budgets will:

1. be in accordance with the aims and objectives set out in the Corporate Plan;
2. accord with workload and manpower plans;
3. be produced following discussion with appropriate Divisional representatives and other budget holders;
4. be prepared within the limits of available funds; and
5. identify potential risks.

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- 2.3.2 The Director of Finance will establish procedures to monitor financial performance against budget and the Financial Plan, periodically review them and report to the Board. This report will provide an explanation of significant variances from budget and the Financial Plan together with a forecast outturn for the year. It will detail any corrective action required to achieve the Boards financial targets for the year.
- 2.3.3 All budget holders, and managers, must provide information as required by the Director of Finance to enable budgets to be compiled and monitored, using appropriately 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 Sections 7 and 17 of these Instructions].

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

1. the amount of the budget;
  2. the purpose(s) of each budget heading;
  3. individual and group responsibilities;
  4. authority to exercise virement and limits applying;
  5. achievement of planned levels of service; and
  6. 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.
- 2.4.5 Any person committing NHSGGC to expenditure should have authority to do so in the Scheme of Delegation. Expenditure for which no provision has been made in an approved budget and not subject to funding under the delegated powers of virement shall only be incurred after authorisation by the Chief Executive, or the Director of Finance or the Board as appropriate in accordance with the Scheme of Delegation.
- 2.4.6 The Financial Plan agreed by the Board contains a contingency of unallocated funds. The Chief Executive may approve use of this contingency during the year. Any individual allocations over £2m will be reported to the Q&P Committee and Board.

## **2.5 BUDGETARY CONTROL AND REPORTING**

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

1. 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.
2. the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering areas for which they are responsible;
3. investigation and reporting of variances from financial, workload and manpower budgets;
4. monitoring of management action to correct variances; and
5. 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 as outlined in para. 2.4.5 above;
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 Financial Plan and any other guidance received from the SGHSCD from time to time and to thereby ensure a balanced budget.

2.5.4 Chief Operating Officers/Directors of each division/partnership must ensure that these budgetary control and reporting disciplines operate in their Division/partnership. This supports NHSGGC'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 SGHSCD 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 [CEL 19 (2009) 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 arrangements.

### **2.9 PROJECT AUTHORISATION**

- 2.9.1 A Business Case for proposed changes to existing service provision must be submitted to the CMT (or sub group thereof) for approval where the revenue implications are unfunded or greater than £1.5m. Board approval is required where the proposal includes major service change, headcount change or revenue implications greater than £5m. The proposal must be in accordance with the Boards clinical strategy and reflect the Corporate Plan and the Local Delivery Plan.
- 2.9.2 The Business Case should cover the following sections in sufficient detail to explain the proposal:
1. description of proposal;
  2. statement of strategic fit;
  3. detailed option appraisal, explanation of alternative options reviewed against a set of pre-agreed criteria and scoring summary;
  4. financial appraisal, including summary of capital and revenue cost implications of alternative options;
  5. overview of preferred option;
  6. summary of implementation plan for preferred option with key milestones;
  7. summary of benefit of preferred option;
  8. risk management - plan for management of implementation and financial risks associated with preferred option.
  9. confirmation from the Head of Procurement that any preferred procurement route is compliant with procurement rules and legislation.
- 2.9.3 The sources of funding for the proposed development must be identified with confirmation from existing budget holder(s) that the funds will be available for the proposed purpose. The Director of Finance will certify that additional allocations from SGHSCD identified in the Business Case will be available for that purpose.
- 2.9.4 Where the revenue implications of a project are up to £1.5m and funded from available resources a Business Case will be submitted for approval by the Acute Strategic Management Group, the Partnership Directors Forum or the Director of Finance as appropriate.
- 2.9.5 Where an approved Business Case requires third party spend the budget owner will complete a Project Authorisation checklist which will be forwarded to the Head of Procurement or relevant Board Procurement Lead as authority to proceed to Procurement.

**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 Scottish Ministers may direct, account of all monies received or paid out by NHSGGC;
  2. prepare financial returns in accordance with the guidance issued and regulations laid down by the Scottish Ministers, NHSGGC'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, recognise 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 SGHSCD and by the Auditor General.
  6. ensure that there is evidence of compliance with NHSGGC's Corporate Governance measures in accordance with NHS MEL (1999) 14, NHS MEL (1999) 83, NHS HDL (2002) 11 and subsequent extant guidance.
- 3.2 NHSGGC's Annual Accounts must be audited by an independent External Auditor (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.

**SECTION 4**

**AUDIT**

**4.1 AUDIT COMMITTEE**

- 4.1.1 In accordance with Standing Orders and as set out in guidance issued under NHS MEL (1994) 80, the Board will establish an Audit Committee.

The purpose of the Audit Committee is to assist the Board to deliver its responsibilities for the conduct of public business, and the stewardship of funds under its control. In particular, the Committee will seek to provide assurance to the Board that an appropriate system of internal control is in place to ensure that:

1. business is conducted in accordance with the law and proper standards governing the NHS and its interface with partner organisations;
2. public money is safeguarded and properly accounted for;
3. financial statements are prepared timeously, and give a true and fair view of the financial position of the Board for the period in question; and
4. reasonable steps are taken to prevent and detect fraud and other irregularities.

The Audit Committee will support the Board and the Accountable Officer by reviewing the comprehensiveness, reliability and integrity of assurances provided to meet the assurance needs of the Board and Accountable Officer. In this context, assurance is defined as an evaluated opinion, based on evidence gained from review, on the organisation's governance, risk management and internal control framework.

- 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 suspects 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 SGHSCD (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 NHSGGC's Accounts must be audited by auditors appointed by the Scottish Ministers. Under the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland will secure the audit of the Board's Accounts on behalf of the Scottish Ministers.
- 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.

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- 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 NHSGGC'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 SGHSCD;
  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.
- 4.2.5 The external auditor will normally be expected to attend Audit Committee meetings and has a right of access to the Chair of the Board, all Audit Committee Members and other Members of the Board. The external auditor will meet on at least one occasion each year with the Audit Committee without the Director of Finance, other Executive Directors or Board staff being present.

### **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/Audit Manager of sufficient status;
  2. ensuring that the internal audit service is adequate and meets NHS mandatory standards;
  3. ensuring that responses to internal audit reports are provided timeously and that internal audit recommendations are implemented as agreed.
  4. ensuring that, in cases of fraud, the NHSS Counter Fraud Service is notified without delay, in accordance with NHSGGC's Fraud Policy and the Partnership Agreement with NHSS Counter Fraud Services.
- 4.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other assets of NHSGGC, or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance, or the Fraud Liaison Officer appointed by him, must be notified immediately.
- 4.3.3 The Director of Finance will ensure that cases of fraud, misappropriation or other irregularities are investigated in accordance with the Fraud 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 SGHSCD. These standards are mandatory and specifically it will be the responsibility of the Chief Internal Auditor/Audit Manager 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 NHSGGC's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
  - (a) fraud and other offences (where malpractice is suspected, the Director of Finance should be notified immediately).
  - (b) 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 Director of Finance or other officers, such as the Chief Internal Auditor/Audit Manager, Fraud Liaison Officer or NHSS Counter Fraud Staff acting on the Director of Finance's behalf [including staff of third parties if the internal audit 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 NHSGGC;
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 Chief Internal Auditor/Audit Manager will report directly to the Director of Finance, and copy all reports to him. The Director of Finance will ensure that appropriate responses are provided and action is taken in respect of all internal audit reports.

1. the timetable for completion of reports and provision of responses will be as agreed between the Chief Internal Auditor/Audit Manager 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/Audit Manager will seek the advice of the Chairman of the Audit Committee or Chairman or Vice Chairman of the Board.

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3. failure to take any necessary remedial action within a reasonable period will be reported to the Chief Executive.
- 4.4.4 The Chief Internal Auditor/Audit Manager 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. The internal auditor will meet on at least one occasion each year with the Audit Committee without the Director of Finance, other Executive Directors or Board staff being present.
- 4.4.5 The Chief Internal Auditor/Audit Manager 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 NHSGGC'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/Audit Manager 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 NHSGGC. Each year the Chief Internal Auditor/Audit Manager 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.

**SECTION 5**

**BANKING ARRANGEMENTS**

**5.1 GENERAL**

5.1.1 The Director of Finance is responsible for managing NHSGGC'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 NHSGGC 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 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;
2. establishing separate bank accounts for NHSGGC's non-exchequer funds;
3. defining the use of each account;
4. ensuring that payments made from bank accounts do not exceed the amount credited to the account except as detailed in section 5.3 below.

5.2.6 The Director of Finance will ensure that detailed written instructions on the operation of bank accounts will include:

1. the conditions under which each bank account is to be operated;
2. a list of those authorised to sign cheques or other orders drawn on NHSGGC's accounts, including specimen signatures and the level of authority delegated to each signatory;
3. a list of those authorised to authenticate electronic payments.

5.2.7 The Director of Finance must advise NHSGGC's bankers in writing of the conditions under which each bank account is to be operated. This will include a list of authorised signatories with specimen signatures and the level of authority delegated to each.

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5.2.8 The Director of Finance will advise NHSGGC's bankers of the conditions under which any on-line banking service to which NHSGGC 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.

### 5.3 **BANK ACCOUNTS**

5.3.1 The balances of accounts holding exchequer funds should not exceed any limits that may be set, from time to time, by the SGHSCD. All surplus funds must be maintained in accordance with the banking guidelines issued by SGHSCD.

5.3.2 Bank accounts will not be permitted to be overdrawn, pooling arrangements on bank accounts maintained in the same name and in the same right notwithstanding.

### 5.4 **TENDERING AND REVIEW**

5.4.1 The Director of Finance will review the banking arrangements of NHSGGC 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.

**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 All staff charged with the responsibility of administering monies have a duty to ensure that these funds are safeguarded and that any monies received are banked promptly.

**6.2 INCOME FROM EXTERNAL BODIES**

- 6.2.1 Where services are provided to external bodies, and the fees or charges are not determined by SGHSCD or by Statute, those responsible for that service must ensure that an appropriate charge is made which recovers all relevant overheads. These charges should be reviewed annually. Independent professional advice on matters of valuation will be taken as necessary.
- 6.2.2 Employees entering into arrangements whereby fees are charged to, or income received from, a third party must inform the relevant senior financial officer who will advise on an appropriate level of fee and authorise the arrangement. The relevant senior financial officers are:-

- Board:
- a) the Director of Finance
  - b) the Head of Finance – Corporate Financial Reporting
  - c) the Head of Financial Services

- Acute:
- a) the Director of Finance – Acute
  - b) the Directorate Head of Finance

- Partnerships:
- a) the Director of Finance
  - b) the Head of Finance – NHS Partnerships

- 6.2.3 Fees may be waived only on the authority of one of the aforementioned.
- 6.2.4 If appropriate, the advice of the NHS Scotland Central Legal Office should be obtained in relation to contracts or agreements.
- 6.2.5 Departments must maintain a register of all such contracts and agreements. The register will be reviewed by the relevant Head of Finance annually.
- 6.2.6 Intellectual Property and any income generated will be managed in accordance with NHS MEL (1998) 23, the Policy Framework for managing Intellectual Property in the NHS arising from Research and Development and HDL (2004) 09, Management of Intellectual Property in the NHS.

**6.3 GRANTS AWARDED BY OTHER PARTIES**

- 6.3.1 Where a grant is awarded to NHSGGC by a third party in respect of a specific project or piece of work, the Director of the department receiving the grant should discuss with the Director of Finance the accounting arrangements and any requirement for the grant to be audited.

**6.4 DEBT RECOVERY**

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- 6.4.1 The Director of Finance is responsible for ensuring that appropriate recovery action on all outstanding debts is taken.
- 6.4.2 Income not received/bad debts should only be written-off with the appropriate authority and dealt with in accordance with the losses procedures detailed in section 18 "Fraud, Losses and Legal Claims".
- 6.4.3 Systems should be put in place to prevent overpayments, but where they do occur, overpayments should be detected and recovery initiated. Write-off of unrecovered amounts is also covered in section 18, as referred to above,

### **6.5 SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

- 6.5.1 The Director of Finance is responsible for ensuring:
1. the approval of the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
  2. the appropriate ordering and secure control of any such stationery;
  3. that systems and procedures for handling cash and negotiable securities on behalf of NHSGGC are in place;

In addition the Director of Facilities is responsible for ensuring:

1. 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;
  2. that a system for the transportation of cash is in place.
- 6.5.2 The use of Board funds for making personal loans or for cashing personal cheques is not permitted.
- 6.5.3 Cash balances held on NHSGGC premises will be kept to the minimum required for the provision of NHSGGC services. Where there is any significant increase in the level of funds held (either official or unofficial), the approval of the relevant Chief Officer must be obtained.
- 6.5.4 All cheques, cash and other negotiable instruments should be banked intact promptly, to the credit of the prescribed income or debtors account. The makeup of cash banked may be altered where change is required by the site provided the total amount of cash banked is unchanged. Cheques may not be substituted for cash and disbursements may not be made from cash received.
- 6.5.5 The holders of safe keys should not accept unofficial funds for depositing in their safes
- 6.5.6 Keys should be held on the keyholder's person or kept secure at all times. Keys should not be kept in, or on, desks (either hidden or otherwise). A spare key should be held off-site by a senior manager for instances where the keyholder has an unplanned absence. The senior manager will take adequate precautions surrounding the security of the spare key and will keep a record of any instances where it is issued.
- 6.5.7 During the absence (e.g. on holiday) of the holder of a safe or cash box key, the officer who acts in his place is subject to the same controls as the normal holder of the key. There should be a written discharge for the safe and/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.

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- 6.5.8 Any loss or shortfall of cash, cheques, or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedure for reporting losses (see SFI 18 – Fraud, Losses and Legal Claims).

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**SECTION 7**

**HEALTHCARE SERVICE PROVISION**

- 7.1 The Board will approve, within the context of the Local Delivery Plan, the particular arrangements for healthcare services for the population on an annual basis. The Chief Executive is responsible for ensuring that
1. appropriate agreements are in place with healthcare service providers (both within and out-with the NHS);
  2. agreements for healthcare are made with due regard to the guidance on planning and priorities issued by the SGHSCD, 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 NHSGGC's allocation.
- 7.2 Appropriate agreements should be in place for:
1. the provision of healthcare services to NHSGGC by other NHS bodies and by bodies out-with the NHS; and
  2. the provision of healthcare services to other NHS bodies by the Board.
- 7.3 The Director of Health Information and Technology, in his capacity as the Board's Caldicott Guardian, will ensure that all systems operate in such a way as to maintain patient confidentiality in terms of the Data Protection Act 1998 and Caldicott guidance.
- 7.4 **NHS Bodies**  
Where the healthcare services are provided to NHSGGC by another NHS Board, or where healthcare services are provided to another NHS body by NHSGGC, a Service Level Agreement (SLA) should be prepared specifying the level of activity expected of the provider and defining the funding arrangements.
- 7.5 In addition, the Director of Finance will ensure that:
1. there is a monitoring system in place to ensure the payment is related to satisfactory delivery of the required service, value for money is achieved and risks to the Board are eliminated or reduced ;
  2. the total value of healthcare agreements placed are within the resources available to NHSGGC.
  3. procedures are in place for the handling of charges in respect of Unplanned Activity Contracts (UNPAC's) and Out of Area Treatment Services (OAT's) in accordance with the guidance issued by the SGHSCD.
- 7.6 **Non-NHS Organisations**  
Where services are provided by non-NHS organisations, the guidelines in Section 9, Non-pay Expenditure and Section 10, Orders, Quotations and Tenders should be followed.

**7.7 VOLUNTARY SECTOR ORGANISATIONS AND GRANT FUNDING**

- 7.7.1 Where the Board requires a specific service and/or specifies how that service will be delivered, it is inappropriate to consider grant funding and the service should be procured following the guidance in Section 9, Non-pay Expenditure and Section 10, Orders, Quotations and Tenders. Grant funding should not be used to deliver the Board's statutory obligations.

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- 7.7.2 A Waiver to Tender should be completed for all grant awards and signed by the relevant Director. This should then be signed by the Head of Procurement who will arrange to issue a Condition of Grant Letter.
- 7.7.3 Where a grant is awarded by NHSGGC to a third party the Condition of Grant Letter formalises the arrangements for the award of funding. Formal offers of funding should be conditional on the acceptance of formal terms and conditions including:
- a requirement to demonstrate that funds have been spent on authorised activities
  - clawback provisions.

### **7.8 GRANTS AWARDED TO NHSGGC BY OTHER PARTIES**

- 7.8.1 Refer to Paragraph 6.3.1 for grants awarded to NHSGGC by other parties.

### **7.9 JOINT FUNDING**

- 7.9.1 Where a project is to be jointly funded each partner will agree their level of contribution in advance.
- 7.9.2 Where the Board is the lead partner responsible for commissioning the service and monitoring delivery the procurement process will be undertaken in accordance with Section 10 – Orders, Quotations and Tenders.

**SECTION 8**

**PAY EXPENDITURE**

**8.1 REMUNERATION**

- 8.1.1 The Board will establish a NHSGGC Staff Governance Committee whose composition and remit will be approved by the Board.
- 8.1.2 The NHSGGC Staff Governance Committee will establish a Remuneration Sub Committee to consider the remuneration of the senior managers on the Executive Pay Arrangements within the NHSGGC area, to ensure consistent application of the methods of objective setting, appraisal of performance and remuneration decisions.
- 8.1.3 NHSGGC will remunerate the Chair and Non-executive Directors in accordance with the instructions issued by Scottish Ministers.

**8.2 STAFF APPOINTMENTS, CHANGES AND TERMINATIONS**

- 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.
- 8.2.2 All appointments, termination and change forms must be immediately sent to the Payroll Department. It is essential that a termination form is submitted to the Payroll Department in the prescribed form immediately upon the effective date of an employee's resignation, retirement or termination being known. Where an employee fails to report for duty in circumstances that suggest that he has left without notice, the Payroll Department must be informed immediately.
- 8.2.3 Where contractors are used (as opposed to directly employed staff), any contract awarded must demonstrate value for money and comply with procurement procedure in respect of SFI's on Orders, Quotations and Tenders. For the avoidance of doubt, the value to be considered, in this respect, is the total value of payments over the duration of the contract.

**8.3 PROCESSING OF PAYROLL**

- 8.3.1 The Director of Finance is responsible for ensuring:
1. that appropriate payroll services are provided to meet NHSGGC's needs;
  2. that there are appropriate operating policies and procedures in place to control all pay expenditure;
  3. that a list is maintained of all officers duly authorised to approve pay expenditure and changes;
  4. that only approved time records, pay sheets and other pay records and notifications are used.

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8.3.2 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 the appropriate bodies.

### **8.4 PROCESSING OF EXPENSES**

8.4.1 The Director of Finance will ensure that all expenses claimed by employees of NHSGGC or outside parties are reimbursed in line with the relevant regulations. Claim forms for expenses will be in an approved format, and will be completed and authorised by an officer approved by the Director of Finance. Such forms will be accompanied by supporting vouchers (or supporting vouchers will be forwarded where claims are submitted electronically) and will be submitted timeously and/or in accordance with the agreed timetable.

### **8.5 AUTHORISATION**

8.5.1 All payments to staff will be subject to authorisation by a budget holder or other officer with delegated authority to approve payroll expenditure in that area. Such authorisation should be based on adequate review and, where reliance is placed on the work of others to carry out this review, must, as a minimum, include a specific review of any entries relating to officers whose work is being relied on.

8.5.2 Wherever possible, officers should not compile their own payroll input. Where it is unavoidable that the compiler of the payroll input is himself included on that input, then the entry in respect of the compiler must be initialled by the authorising officer.

8.5.3 Under no circumstance should officers authorise/approve their own payroll input or expenses.

8.5.4 Once authorised, all payroll documents should be submitted directly to the Payroll department by the authorising officer. If this task is delegated, then steps should be taken to ensure that there are no amendments made following authorisation.

### **8.6 RESPONSIBILITIES OF EMPLOYEES**

8.6.1 All staff have a responsibility to ensure they receive their payslip in order to check that they are being paid correctly. If an employee believes that he is being paid incorrectly – either being underpaid or overpaid – they should report the matter to their line manager or alternatively to the Pay Department using the contact information contained on their payslip. A failure to check that salary is being paid correctly will not in itself provide an employee with justification for refusing to repay any amount overpaid.

### **8.7 CONTRACT OF EMPLOYMENT**

8.7.1 The Director of Human Resources is 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.

**SECTION 9**

**NON-PAY EXPENDITURE**

**9.1 INTRODUCTION**

9.1.1 All non-pay expenditure will be authorised, purchased and paid in accordance with these Standing Financial Instructions and the Board's Scheme of Delegation, ensuring that NHSGGC achieves financial balance, procures best value for money goods and services, meets commercial best practice and complies with European and UK competition legislation.

**9.2 STAFF RESPONSIBILITIES**

9.2.1 The Director of Finance will ensure that:

1. all accounts and claims are properly paid;
2. the Board is advised on the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained;
3. these thresholds are regularly reviewed;
4. that NHSGGC has a Construction Procurement Policy that is consistent with national policy and guidelines.

9.2.2 The Head of Procurement is responsible for ensuring the preparation, maintenance and issue of procedural instructions on the procurement of goods, works and services incorporating these thresholds;

9.2.3 All procurements will be administered by the Procurement Department unless specific delegated purchasing authority has been granted by the Chief Executive. In some cases Procurement delegates purchase order responsibility to other "expert" departments (Medical Physics, Catering and Laboratories), whilst maintaining overall responsibility for commercial arrangements.

9.2.4 There must be segregation of duties between the activities of requisitioning, ordering, receipting and paying of goods and services. The Director of Finance and Head of Procurement will ensure that such segregation is in place at all times.

9.2.5 All officers must comply with the Code of Conduct for Staff and register any personal interest. Where an officer has an interest which relates, directly or indirectly, to any proposed purchase or contract, he must not take part in any aspect of the purchasing and procurement processes for that purchase or contract.

9.2.6 Any officer who is involved in any part of the contracting or purchasing process is responsible, as far as he is able, for ensuring that NHSGGC is only committed to contracts or purchases which are in accordance with NHSGGC's policies and which give NHSGGC maximum value for money when compared with any known alternatives.

9.2.7 No staff should make a binding commitment on behalf of NHSGGC unless they have the delegated authority to do so. Any authorised commitments must be in writing. Staff should be aware that the terms of the Requirements of Writing (Scotland) Act state that NHSGGC can be bound by a verbal undertaking given by an officer of NHSGGC in the course of business.

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### **9.3 NON-PAY EXPENDITURE APPROVAL PROCESS**

#### **9.3.1 Budgetary Control**

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

9.3.1.2 Contracts or orders will not be placed in a manner devised to avoid the financial limits specified by the Board.

#### **9.3.2 Tendering and Quotations**

9.3.2.1 All contracts and purchases will be tendered in accordance with SF110 "Orders, Quotations and Tenders", with the objective of securing goods and/or services of the necessary quality and quantity in accordance with NHSGGC's objectives and strategies at the most economic rates. All procurements must be carried out in accordance with all relevant National and EU regulations, directives and guidelines.

9.3.2.2 The Public Contracts (Scotland) Regulations 2012 are applicable to all public sector organisations. These regulations are prescriptive in their requirements for public sector organisations and these SFI's are designed to ensure NHSGGC's full compliance.

9.3.2.3 The Freedom of Information (Scotland) Act 2002 is applicable to public sector procurements where specific provisions and requirements with regard to disclosure of information apply and may override commercial sensitivities in some circumstances if deemed in the public interest. Given the potential for commercial prejudice therefore, and the risks to NHSGGC associated with compliance or non-compliance with the FOI Act, a structured and disciplined tender and contract award process taking into account FOI requirements shall apply in most circumstances. These SFIs set out appropriate responsibilities for designated officers with external commitment authority, who in turn shall ensure that tender and contract award processes meet the provisions and requirements of this regulation.

9.3.2.4 The Race Relations (Amendment) Act 2000 amends the provisions of the Race Relations Act 1976 and outlaws any racial discrimination, including any potential discrimination through the provision of goods and services. All public authorities therefore have a duty to take race equality into account when procuring goods, works, or services from external providers. These SFI's set out appropriate responsibilities for designated officers with external commitment authority, who in turn shall ensure that tender and contract award processes meet the legal provisions and requirements and that suppliers and contractors adhere to the equality and diversity legislation and principles.

#### **9.3.3 Contracts**

9.3.3.1 By definition a contract is any agreement between NHSGGC and another party/parties that is enforceable by the law. Contracts can be formed orally, in writing or even by conduct.

9.3.3.2 Where national, regional or local contracts exist (including framework agreements) the overriding principle is that use of these contracts is mandatory. Only in exceptional circumstances and with the authority of the Head of Procurement or the Director of Finance shall goods or services be ordered out-with such contracts. The Head of Procurement will maintain a record of any contracts placed out-with such contracts.

9.3.3.3 All contracts will have a sound basis in law and appropriate commercial contract conditions must be chosen to minimise the risk of any adverse litigation. Where appropriate, National Standard Forms will be used and where contracts are not of a standard form, the Central Legal Office should be consulted.

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9.3.3.4 All non standard form contracts shall be approved and issued only by the Head of Procurement unless specific delegated authority has been granted by the Chief Executive or the Board.

### **9.3.4 Purchase Indents**

9.3.4.1 Prior to any Official Order being raised a purchase indent must be submitted and approved in accordance with section 9.3.5 and 9.3.6 of these Instructions.

### **9.3.5 Authorisation**

9.3.5.1 All indents and associated orders for the purchase of items must be properly authorised in accordance with these SFI's. The ordering/authorising officer is responsible for satisfying himself that NHSGGC's contracting and ordering instructions have been properly complied with before he signs an order and that the order does not commit NHSGGC to expenditure in excess of the budgeted amount.

9.3.5.2 The Director of Finance has responsibility, acting on behalf of the Chief Executive for the setting of financial limits as defined in the Scheme of Delegation.

### **9.3.6 Delegation of Authority**

9.3.6.1 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.

9.3.6.2 Each operating unit will maintain a Scheme of Delegation and all employees must comply with the limits set in all aspects of non-pay expenditure. The Head of Financial Governance will be responsible for ensuring that schemes are consistent.

9.3.6.3 Indents/Requisitions for supplies can only be authorised by the budget holder of the directorate or department (or someone formally delegated with that authority) where the expenditure is planned and covered by available funds. The Director of Finance will ensure that there is a list of authorised signatories maintained for this purpose. Such delegated authority will be embedded in any electronic purchasing systems.

### **9.3.7 Purchase Orders**

9.4.6.1 Only NHSGGC's authorised ordering officers, as approved by the Director of Facilities, shall sign purchase orders.

9.4.6.2 No goods or services may be ordered without the use of NHSGGC's official order form, including electronic versions. No officer of NHSGGC is permitted to make commitments out-with 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.

9.4.6.3 The Head of Procurement will be responsible for ensuring that suppliers are made aware of the official ordering process.

### **9.3.8 Construction Procurement**

9.3.8.1 All construction procurement will be made in accordance with SGHSCD guidance and NHSGGC's Construction Procurement policy.

### **9.3.9 Trial/Loan Products**

9.3.9.1 Products e.g. medical equipment, shall not be taken on trial or loan from suppliers or contractors unless authorised in accordance with these SFI's and the Scheme of Delegation and/or approved by the appropriate procurement department to ensure any arrangements are consistent with purchasing policy and do not commit the Health Board to a future uncompetitive purchase.

### **9.4 PAYMENT OF ACCOUNTS**

9.4.1 The Director of Finance will ensure that there are adequate systems and 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 any subsequent amendments) and payment of contract invoices is in accordance with contract terms, or otherwise in accordance with national guidance;
2. payment shall only be made for goods and services that have a corresponding official purchase order;
3. payment for goods and services is only made when goods and services are received and accepted (excepting as at 9.4.3 below).

9.4.2 Specifically the system will include checks that:

1. goods received are in accordance with those ordered and that prices are correct or within tolerances approved by the Director of Finance.
2. work done or services rendered have been carried out satisfactorily and are in accordance with the order and the agreed contract terms.
3. in the case of contracts for measured time, materials or expenses, time is verified, rates are in accordance with those quoted, and materials or expenses are verified for quantity, quality and price.
4. expenditure is in accordance with regulations and authorisations.
5. the account is arithmetically correct.
6. VAT is recovered where permitted by legislation
7. the account is in order for payment.

9.4.3 Payments should not normally be made in advance of need i.e. before the liability to pay has matured. However, there may be certain exceptional circumstances where it is in NHSGGC's interests to make such a payment. Under no circumstances should any advance payment be made where there is a risk to public funds.

9.4.4 The approval of the Director of Finance is required in any instances where payment for goods or services in advance is deemed to be required.

9.4.5 Where a manager certifying accounts relies upon other managers to do preliminary checking, he shall ensure that those officers are competent to do so and, wherever possible, ensure

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that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.

- 9.4.6 In the case of contracts for building or engineering works that require payment to be made on account during progress of the works, the NHSGGC will make payment based on receipt of a certificate from the appropriate technical consultant or manager. Certificates will be subject to such examination as may be considered necessary before authorisation by the Director of Facilities (or other Director responsible).
- 9.4.7 The Director of Finance may authorise advances on an imprest system for petty cash and other purposes as required. Individual payments must be restricted to the amounts authorised by the Director of Finance and must only be used for purposes where it is not appropriate to use the normal payment or payroll systems.

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**SECTION 10**

**ORDERS, QUOTATIONS AND TENDERS**

**10.1 BUDGET PROVISION**

10.1.1 No order will be placed or contract let for goods or services where there is no provision in the Financial Plan unless authorised by the Director of Finance or the Chief Executive. Where contracts cover periods falling out-with the current financial year budget provision is deemed to mean recurring budget.

**10.2 SPECIFICATION OF NEED**

10.2.1 All contracts will have a formal specification of need developed in conjunction with NHSGGC expert users. The Board Procurement Leads will provide best practice advice and guidance in the development of the specifications. Approval of the specifications for externally sourced products or services requirements and the approval of charges against specified budgets for all externally purchased products or services shall be the responsibility of budget holders and limits on budget holder's individual approval levels shall be specified in the Scheme of Delegation.

10.2.2 Budget holder approval of specifications for certain externally supplied products or services shall be delegated to Clinical Heads of Service or Managers of designated specialist support departments. Clinical Heads of Service or designated specialist support managers will be responsible for providing specification criteria under national contract, where required, and for ensuring that products meet required specifications.

10.2.3 Budget holders' approval of charges against specified budgets for externally purchased products or services may also be delegated to nominated Project or other Health Board executive or senior managers as specified in Capital or Revenue budget setting and approval processes.

**10.3 OFFICIAL ORDERS**

10.3.1 No goods, services or works, other than purchases from petty cash, purchase cards or where particular supplies have been exempted by the Chief Executive or Director of Finance, will be ordered, except on an official order, and contractors will be notified that they should not accept orders unless on an official form.

10.3.2 The Head of Procurement will prescribe standard conditions of contract appropriate to each class of supplies and services and for the execution of all works. All contracts and orders entered into will incorporate these conditions.

**10.4 ORDERING PROCEDURE**

10.4.1 Official orders will be consecutively numbered, in a form approved by the Head of Procurement and shall include information concerning prices or costs as he may require. The order shall incorporate an obligation on the supplier or contractor to comply with the conditions printed on the orders as regards delivery, carriage, documentation, variations etc.

10.4.2 Order/requisition forms shall only be issued to and signed by officers so authorised as identified within the Scheme of Delegation. Lists of authorised officers shall be maintained and a copy of such lists supplied to the Director of Finance on request.

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10.4.3 Only Post Holders delegated by the Board shall be authorised to commit NHSGGC to commitments with external parties. The Post Holders limit of authority is defined by the Scheme of Delegation.

10.4.4 Orders shall not be placed in a manner devised to avoid the financial thresholds specified in this Instruction.

### **10.5 CONTRACTS**

10.5.1 Where supplies and services of the type and quantity required are available on National, Regional or Local Contract, the order must be placed with a supplier designated in that contract. Only in exceptional circumstances and only with the authority of the Director of Facilities, shall supplies and services available on contract be ordered out-with contract. Such exception will be recorded and reported to the Director of Finance and relevant Audit Support Group. Use should also be made of other UK Public Sector available contracts where they provide best value of money.

10.5.2 Where approved Contracts exist for the same product or services, with more than one supplier, then the contracted supplier offering best value for money must be selected.

10.5.3 For works projects, tender lists will be compiled after consulting Constructionline or in accordance with any other requirements issued by the Scottish Government.

10.5.4 Where a framework contract exists (either nationally or locally), this contract must be used and a mini-competition held to identify the supplier who offers best value in terms of the specified evaluation criteria for the goods and/or services.

### **10.6 TRANSACTIONS INVOLVING PROPERTY**

10.6.1 All transactions involving property will be conducted in accordance with the procedures set out in the NHS Property Transaction Handbook and SFI 12 Capital Expenditure.

### **10.7 QUOTATIONS**

10.7.1 Where the supply of goods or services is estimated to be less than £50,000, the following applies, subject to the provisions of paragraph 10.5 and 10.9: (the limits quoted are exclusive of VAT where it is recoverable, and inclusive if VAT where it is irrecoverable)

- **Expenditure less than £10,000:** The ordering officer must be able to demonstrate that value for money is being obtained and will be supported in doing so by the relevant Board Procurement Lead.
- **Expenditure more than £10,000 but less than £50,000:** At least three competitive quotations shall be obtained from different companies. Quotations must be in writing and retained for inspection. For complex or higher value items a specification should be prepared as appropriate.

10.7.2 Where quotes are obtained on the basis that the value of the supply was genuinely believed to be less than £50,000, but satisfactory quotes are returned marginally in excess of this amount, then the purchase may proceed subject to the completion of a waiver to tender form. In cases where it is anticipated that the cost may exceed £50,000, then formal tenders should be sought in accordance with paragraph 10.8

### **10.8 COMPETITIVE TENDERING**

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- 10.8.1 Where the supply of goods or services is estimated to be **£50,000** or above, the following applies except where other arrangements have been previously approved by the Head of Procurement. (The limits quoted are exclusive of VAT where it is recoverable, and inclusive if VAT where it is irrecoverable)
- 10.8.2 Competitive tenders, which must have a formal specification, will be invited for the supply of all goods and services; building and engineering or works of construction and maintenance. There must be a minimum of three tenders in each case. All tendering documentation must be retained and filed for inspection.
- 10.8.3 The process for tendering is stated at 10.10, below. EU Directives must be adhered to where contract values are expected to exceed current EU limits. Electronic tendering processes may be used where approved in advance by the Director of Finance or authorised nominee.
- 10.8.4 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.

### **10.9 WAIVING OF TENDER/QUOTATION PROCEDURE**

- 10.9.1 In the following exceptional circumstances, except in cases where EU Directives must be adhered to, a Director, as specified in the Scheme of Delegation, can approve the waiving of the above requirements:
1. where the repair of a particular item of equipment can only be carried out by the manufacturer;
  2. where the supply is for goods or services of a special nature or character in respect of which it is not possible or desirable to obtain competitive quotations or tenders;
  3. a contractor's special knowledge is required;
  4. where the Chief Executive or the Director of Finance has approved negotiation with a single tenderer; this must be evidenced in writing;
  5. where the number of potential suppliers is limited, and it is not possible to invite the required number of quotations or tenders, or where the required number do not respond to an invitation to tender or quotation to comply with these SFI's;
  6. where, on the grounds of urgency, or in an emergency, it is necessary that an essential service is maintained or where a delay in carrying out repairs would result in further expense to NHSGGC.
- 10.9.2 Where goods and services are supplied on this basis, and the value exceeds £5,000, a "Waiver of Tender/Quotation" form should be completed, and signed by the appropriate director and the Head of Procurement; in the case of 1, 2, 3, 4 and 5 above, this must be completed in advance of the order being placed, but may be completed retrospectively in the case of 6.
- 10.9.3 The Head of Procurement will maintain a record of all such exceptions, and will supply details to the relevant Audit Support Group.
- 10.9.4 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. Written notes/documentation to support the case, signed by the responsible Budget Holder, must be retained for audit inspection.

### **10.10 TENDERING PROCEDURE**

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### **10.10.1 Advertising**

NHSGGC requires adequate advertising of future requirements for goods and services as follows:

1. all supplies covered by the EU Public Procurement legislation will be advertised in accordance with the requirements of that legislation.
2. all other supplies which have an aggregated contract / order value of greater than £50,000 shall be advertised on the appropriate internet site a minimum of 2 weeks ahead of drawing up tender lists. In exceptional circumstances the Head of Procurement or authorised nominee can waive the requirement.
3. for all requirements for 'Products and Services' with an annual or contract term value in excess of the threshold prescribed by the EU, the requirement shall also be submitted electronically in the required format for Advertisement in the OJEU Journal in accordance with the regulated timescales and procedures.

### **10.10.2 Selection of Tenderers**

Tenderers will be selected based on their ability to meet minimum qualification criteria. This shall normally include financial standing, technical competence and operational capability.

### **10.10.3 Issue of Tender Documents**

10.10.3.1 All tender documents shall be sent to prospective suppliers with return labels issued by NHSGGC which will be addressed to the Head of Procurement or his nominated representative as appropriate and shall be marked "Tender for ....(title of tender )" but shall not bear the name or identity of the sender. Suppliers will also be issued with comprehensive instructions regarding the return of the documents including any related bills of quantities. These instructions shall specifically forbid the supplier from marking the tender envelopes in a manner that indicates the sender or from associating the tender envelope with any related bill of quantity.

10.10.3.2 The Head of Procurement or authorised nominee will be notified of any tender documents issued along with the closing date and time for opening the tenders.

### **10.10.4 The Register of Tenders**

10.10.4.1 A Register of Tenders will be kept in a sequentially numbered bound tender receipt book. The tender receipt book will be considered controlled stationery under the control of the Head of Procurement, or authorised nominee, who will issue to staff authorised to receive tenders on behalf of NHSGGC and record such issues.

10.10.4.2 The following details should, as a minimum, be recorded in the Register of Tenders:

1. details of the subject of the tender
2. closing date and time of receipts
3. date and time of opening of tenders with reasons for any differences from closing date and time
4. tender references sufficient to trace details of invitation to tender or details of open tender
5. amounts
6. names and signatures of the Head of Procurement's representatives and
7. Independent witness.

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### **10.10.5 Receipt and Safe Custody of Tenders**

- 10.10.5.1 Tender envelopes shall be stamped and held unopened in a secure container until after the closing date or time. A register of tenders received will be maintained at the point of receipt. This will record the date and time of receipt and also the contract that the tender relates to.
- 10.10.5.2 An identifying reference will be written on the envelope and entered in the register.
- 10.10.5.3 Tenders will be opened, as soon as possible after the stated closing date and time, by the Head of Procurement or his nominated representative, in the presence of an independent witness of senior status. Both parties will initial each tender document opened.
- 10.10.5.4 All relevant details of tenders received, including the tendered cost, where specified will be entered in the Register of Tenders which shall be signed by the Head of Procurement or his nominated representative and the independent witness.
- 10.10.5.5 Where it is clearly in the interests of NHSGGC, late, amended, incomplete or qualified tenders may be considered. In such circumstances, a full report should be made to the Chief Executive or authorised nominee, who will have authority to admit such tenders. Where a company invited to tender requests a delay in the submission, any deferment approved shall be notified to all the companies concerned.
- 10.10.5.6 The Head of Procurement or their authorised nominee will be notified of the date and time of all meetings arranged for the purpose of adjudicating tenders.
- 10.10.5.7 The Director of Finance has the right to inspect records of tenders to be received at any time in order that an auditor and/or a member of the Finance Department may attend the opening. The Director of Finance or his representative is not required to give any notice of attendance at tender openings.

### **10.10.6 Tender Acceptance**

- 10.10.6.1 Where competitive tenders have been obtained, the most economically advantageous shall normally be accepted. A written report must be produced on the circumstances of the decision, and submitted to the Head of Procurement or authorised nominee.
- 10.10.6.2 Any 'in-house' bids must be submitted and evaluated on exactly the same basis as bids from out-with NHSGGC.

### **10.10.7 Form of Contract Award**

Dependent on the nature of the procurement, an official order and/or a letter of acceptance should be issued for every contract resulting from an invitation to tender. Unsuccessful tenderers will be notified in writing.

## **10.11 CONTRACT REGISTER / RECORDS**

- 10.11.1 The head of the relevant Board Procurement Lead's department or their authorised nominee shall maintain a register of all contracts awarded by virtue of the circumstances detailed at paragraphs 10.8 and 10.9 above. Such a register shall be open to audit on an annual basis under the direction of the Finance Director or Chief Executive.

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10.11.2 Retained files, of all authorised requisitions, purchase orders and contracts, either in paper or in electronic form shall be kept by each designated procurement department in accordance with audit and HMRC requirements.

**10.12 CODE OF CONDUCT FOR STAFF**

10.12.1 The Code of Conduct for Staff, which includes the circular - Standards of Business Conduct for NHS Staff, has specific guidance on the acceptance of gifts and hospitality in relation to NHSGGC's commercial dealings. This Code has been incorporated into the contract of employment of each member of staff. A copy of the relevant NHS Circular should be enclosed with each employee's contract of employment and is attached at Appendix 1.

10.12.2 The Standards of Business Conduct state that "It is a long established principle that public sector bodies which include the NHS, must be impartial and honest in the conduct of their business and that their employees must remain beyond suspicion. The Bribery Act 2010 makes it an offence to:

- d) Offer, promise or give a bribe or
- e) Request, agree to receive, or accept a bribe, in return for improperly performing a function or activity.

**SECTION 11**

**MANAGEMENT AND CONTROL OF STOCK**

- 11.1 The Head of Procurement is responsible for the control of stores, except for:
1. pharmaceutical stock, which is the responsibility of the Director of Pharmacy; and
  2. laboratories, radiography, occupational therapy, which are the responsibility of the senior manager in each of those departments.
- 11.2 The Head of Procurement will ensure that there are adequate arrangements in place to monitor and control the performance of any third party supplying storage and distribution services for stock owned by the Board.
- 11.3 Responsibility for security arrangements and the custody of keys for all stores locations should be clearly defined in writing and agreed with the designated manager, as referred to in 11.1 or the Head of Procurement.
- 11.4 All stores systems and records should be in a form specified by the Head of Procurement or Director of Finance. Where practicable, stocks should be marked as Board property.
- 11.5 Records should be maintained of all goods received and a delivery note should be obtained from the supplier at the time of delivery and should be signed by the person receiving the goods. The acceptance and recording of goods received should be independent of those that requisitioned/ordered the goods. Instructions should be issued to staff covering the procedure to be adopted in respect of:
1. where the quantity delivered does not agree with that ordered;
  2. where the quality/specification is unsatisfactory or not in accordance with the order;
  3. where no delivery note is available; and
  4. notification of suppliers of unsatisfactory deliveries.
- 11.6 All issue of stores must be supported by a requisition, authorised by the appropriate Budget-holding manager (or delegated officer). The Head of Procurement must be notified of all authorised signatories and their delegated authorities. The receiving department should acknowledge receipt of stores, this must be returned to the Stores Department independent of the storekeeper.
- 11.7 All transfers and returns should be recorded in a form approved by the Head of Procurement.
- 11.8 Breakages, obsolete stock and other losses of goods in stores should be recorded as they occur and a summary presented to the managers identified as responsible in 11.1 on a regular basis.
- 11.9 Stocktaking arrangements should be agreed with the Director of Finance or the Head of Financial Services, and a physical check covering all items in store performed at least once a year. The physical check should involve at least one officer other than the storekeeper. The stocktaking records should be numerically controlled and signed by the officers undertaking the check. Any surpluses or shortages revealed in stocktaking should be reported immediately to the Head of Procurement, who will investigate as appropriate. Known losses of stock items not on stores control should also be reported to the Head of Procurement. The Head of Procurement will report all losses to the Director of Finance on an annual basis, or immediately if significant or caused by fraud or theft.

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- 11.10 Where continuous stocktaking is performed, with all stock items having been covered at least once during the year (and higher value items more frequently) and the results of these checks have proved satisfactory, it may not be necessary to carry out a full stock count. Where it is proposed not to carry out a full stock count, the permission of the Director of Finance and the agreement of the external auditors must be sought in advance.
- 11.11 Where a complete system of stores control is not justified, e.g. family planning stock, alternative arrangements shall require the approval of the Head of Financial Services.
- 11.12 The designated manager, as referred to in 11.1 shall be responsible for ensuring there is an effective system for a review of slow moving and obsolete items and for condemnations, disposal and replacement of all unserviceable articles. These should be reported to the Director of Finance for recording in the Register of Losses (see SFI 18 – Frauds, Losses, and Legal Claims) and written down to their net realisable value.

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**SECTION 12**

**CAPITAL INVESTMENT**

**12.1 GENERAL**

12.1.1 Capital Planning and Approval Processes were delegated to Health Boards in 2002 by HDL (2002)40. These Instructions reflect the inherent responsibility of Boards to manage their capital needs from within available capital funds.

12.1.2 These Instructions should be read in conjunction with the Scottish Capital Investment Manual and the Scottish Government Construction Procurement Manual issued by the SGHSCD and NHSGGC's Construction Procurement Policy. For property transactions, the relevant guidance is contained in the NHS Property Transaction Handbook.

12.1.3 The Board's Chief Executive Officer is responsible for ensuring compliance with mandatory policy and guidance.

**12.2 CAPITAL INVESTMENT PROCESS**

12.2.1 An annual Capital Plan will be developed by the Joint Capital Planning and Property Group (CPPG). This will be submitted to the Corporate Management Team (CMT) for endorsement prior to submission to the Board for approval.

12.2.2 The Capital Plan must be in line with the Boards strategic direction and reflect the objectives set out in the Corporate Plan. The Capital Plan will detail specific ring fenced allocations plus the formula capital allocation.

12.2.3 The CPPG will approve the Boards strategy for investment in GP practices.

12.2.4 The Director of Finance will ensure that a Business Case is produced in accordance with the SCIM guidance for all new major capital expenditure proposals.

For non HI&T projects the following should be produced:

- up to £1.5m a Standard Business Case
- £1.5m - £5m an Initial Agreement and Standard Business Case
- Over £5m an Initial Agreement, Outline Business Case and Full Business Case

For HI&T projects the following should be produced:

- up to £500,000 a Standard Business Case
- £500,000 - £2m an Initial Agreement and Standard Business Case
- Over £2m an Initial Agreement, Outline Business Case and Full Business Case

12.2.5 The Director of Finance will ensure that for every capital expenditure proposal, the CPPG will be provided with assurance that the financial consequences, both capital and revenue, of the proposal have been fully identified, and are within the constraints of the Financial Plan.

12.2.6 The delegated limits to approve non-HI&T Business Cases are as follows:

- a) The Boards delegated authority for approval of Capital expenditure proposals is £5m. Proposals above £5m will be approved by the Board prior to being submitted to the Capital Investment Group (CIG) at SGHSCD for approval. This approval will normally be exercised by the Quality & Performance Committee (Q&P) on behalf of the Board.
- b) Business Cases for capital expenditure proposals above £1.5m will be reviewed by the CPPG prior to submission to the Q&P for approval.
- c) Authority to approve capital proposals up to £1.5m funded from formula capital allocations is delegated to the Acute Capital Forum, the Partnerships Consolidated Capital Planning Group and, for Corporate proposals, the Director of Finance.

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d) Unfunded proposals up to £1.5m will be approved by CPPG.

12.2.7 The delegated limits to approve HI&T Business Cases are as follows:

- a) The Board's delegated authority for approval of capital expenditure proposals is £2m. Proposals above £2m will be approved by the Board prior to being submitted to CIG for approval. This approval will normally be exercised by the Q&P on behalf of the Board
- b) All proposals for HI&T expenditure over £1.5m and in accordance with the Board's approved IT Strategy will be reviewed by CPPG prior to submission to the Q&P for approval.
- c) The HI&T Programme Boards for Acute and partnerships have authority to approve proposals up to £100k from formula capital allocation.
- d) Unfunded proposals up to £1.5m will be approved by CPPG.

12.2.8 In the Acute Division Business Cases will be countersigned by the COO and the Director of Finance – Acute prior to submission to the Operational Management Group and the Strategic Management Group for approval.

12.2.9 In CH(C)Ps and Partnerships Business Cases will be countersigned by the relevant CH(C)P/Partnership Director and the Director of Finance prior to submission to the Partnership Directors Group for approval.

12.2.10 On approval of a capital expenditure scheme the Head of Finance – Capital and Planning will issue a capital scheme number and update the Capital Plan.

### 12.3 FORMULA ALLOCATION

12.3.1 The Board receives an allocation of formula capital funding each year. The CPPG allocates formula funding for the year to the Acute Capital Planning Forum, the Partnerships Consolidated CPG, the Capital Equipment Group, and to the HI&T Programme Boards for Acute and Partnerships. Each committee has responsibility to manage expenditure within their allocation. Capital expenditure proposals less than £1m will normally be funded from the formula allocation however where a proposal has Board wide implications a Business Case should be submitted to CPPG for approval with no de minimis value.

### 12.4 REVENUE FUNDING

12.4.1 Revenue funding made available by SGHSCD for a specific purpose may require minor capital expenditure to implement the service change. In these circumstances a capital scheme number will be issued by the Head of Finance – Capital and Planning and the Capital Plan updated accordingly.

### 12.5 CAPITAL EXPENDITURE APPROVAL PROCESS

12.5.1 Where a capital expenditure proposal is approved and a capital scheme number is issued by the Head of Finance – Capital and Planning, the Director of Finance (Corporate and Partnerships), in accordance with the Board's Scheme of Delegation, will ensure that authority to proceed to procurement is issued to the manager responsible for the capital expenditure proposal.

12.5.2 The CPPG will approve the following property transactions;

- a) acquisitions and disposals where the value is under £1.5m,
- b) where the annual lease/rental charge is under £1.5m .

The Q&P will approve all property lease/rentals and acquisitions and disposals above £1.5m.

12.5.3 Procurement of all capital items will be undertaken in accordance with Section 9, Non-Pay Expenditure and Section 10, Orders, Quotations and Tenders, of these SFIs.

### 12.6 MAJOR CAPITAL PROGRAMMES

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12.6.1 Where CIG approval is given for major capital schemes the Board may delegate authority for managing the approved allocation to a Project Board. The management of any such projects will be structured in accordance with the Scottish Government Construction Procurement Manual issued by the SGHSCD and NHSGGC's Construction Procurement Policy. The Project Director will provide progress reports to the Board on a regular basis.

### **12.7 PRIVATE FINANCE**

12.7.1 Where any additional capital works are considered as a variation to any existing PPP contract the capital investment process in paragraph 12.2 should be applied.

### **12.8 THIRD PARTY DEVELOPER SCHEMES /HUB**

12.8.1 Third party developer schemes such as hub are used to support infrastructure developments particularly within primary care settings. All projects funded by third party developers and other ways of providing new premises for independent contractors such as GPs and GDPs are subject to the same business case approvals process as any other proposed development.

12.8.2 The Director of Finance shall demonstrate that the capital procurement route represents value for money and genuinely transfers risk to the private sector.

12.8.3 The CPPG will continually review the potential for approved capital schemes to be delivered through SGHSCD revenue financial models such as the hub initiative.

12.8.4 The NHSGGC hub Projects Steering Group will ensure the establishment and delivery of an approval schedule for each of the decision gates for a hub project. This will set out the timetable for approval of all governance documentation via Project Boards, CHCP/CHP committees, the CPPG etc.

12.8.5 The NHSGGC hub Projects Steering Group will have a core membership that includes the Director of the Glasgow City CHP, the Head of Capital Planning and Procurement, Chairs of the individual Project Boards (Project sponsors)/Directors of CHP/CHCPs as appropriate and their deputies. The NHSGGC hub Projects Programme Manager will report to the Steering Group, along with the Operations and Supply Chain Director (OSCD) from the West of Scotland hubCo. Additional representatives will be invited to attend the Steering Group meetings as required.

12.8.6 The hubCo arrangement is defined as an Institutionalised Public Private Partnership. In operational terms hubCo provides management services to Participants that fall into 3 distinct categories of Partnering Services:

12.8.6.1 Ongoing;  
Ongoing Partnering Services include engagement with Participants to identify and qualify new projects, formalised through the Territory Delivery Plan, or TDP, the establishment and management of the Supply Chain and supporting collaborative working between Participants through the Territory Partnering Board, or TPB. As these services are ongoing, they are paid for from an overhead charge levied on all projects delivered by hubCo, albeit capped to a level where excess income is returned to Participants who have had projects delivered by hubCo.

12.8.6.2 Project Development  
Project Development Services include the delivery of projects, either new build or refurbishment of community based facilities, through the selection of appropriate Supply Chain Partners and, where required, through the provision of funding for non capital funded projects. Projects can be delivered that are design and build or just build only. The hubCo model supports both capital funded projects (D&B Contract), using the Participant's own capital or source of borrowing and revenue funded (DBFM contract), whereby hubCo sources finance for the project and the Participant pays for the cost of that finance through either internal sources (operational revenue streams)

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and/or external sources such as the Scottish Government. In both cases the hubCo model works on the basis that the Participant retains ownership of the asset (land and building). Where hubCo sources finance for the project, 90% is typically provided from the external funding market (banks) by way of a funding competition, with the remaining 10% provided from equity invested in a wholly owned sub hubCo. This allows for shareholders (including the public sector shareholders in hubCo) to provide investment funds. The return on this investment is capped to a level where excess income is returned to the Participant for whom the project(s) is being delivered by hubCo.

- 12.8.6.3 Strategic Support Services include a range of professional services at capped rates, together with Estates Planning and Service Planning services. Any Strategic Support Service with a value greater than £5,000 is also subject to competition for the selection of appropriate Supply Chain Partners.

### **12.9 JOINT DEVELOPMENTS WITH LOCAL AUTHORITIES/OTHER PARTNERS**

- 12.9.1 Where a joint project is led by a Local Authority or other partner the Board must seek to ensure that NHSGGC contributions to such schemes represent value for money and are affordable. The approvals process in paragraph 12.2 should be applied to such schemes.

**SECTION 13**

**ASSETS**

**13 ASSETS**

13.1 Assets include all property of NHSGGC including physical assets, such as buildings, equipment, vehicles, stores, cash, and intangibles such as intellectual property or goodwill. All staff have a duty to protect and safeguard the assets of NHSGGC in the performance of their duties and it is the responsibility of the Chief Executive to ensure that adequate systems are in place to maintain satisfactory control of fixed assets. All transactions involving property will be conducted in accordance with the procedures set out in the NHS Property Transaction Handbook and SFI 12 Capital Investment.

**13.2. ASSET REGISTERS**

13.2.1 For the purposes of these Instructions, Fixed Assets will be defined in accordance with the guidance contained in the Capital Asset Accounting Manual produced by the SGHSCD.

13.2.2 The Director of Finance will ensure that an Asset Register is maintained, and that all Fixed Assets are accurately and timeously recorded in the Register in accordance with the guidance contained in the Capital Asset Accounting Manual.

13.2.3 The Director of Finance will ensure that procedural instructions are prepared and implemented to ensure that:-

1. additions to the fixed asset register are clearly identified to an appropriate budget holder and validated by reference to:
  - a. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - b. stores, requisitions and wages records for own materials and labour including appropriate overheads; and
  - c. 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 Accounting Manual;
5. the value of each asset is depreciated using methods and rates as specified in the Capital Accounting Manual and is consistent with the agreed depreciation policy of NHSGGC;
6. capital charges are calculated and paid as specified in the Capital Accounting Manual.

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### **13.3 SECURITY OF ASSETS**

13.3.1 The Director of Finance will ensure that procedures for the control of assets (including fixed assets, cash, cheques and negotiable instruments) are prepared and implemented. These procedures will make provision for the:

1. recording of 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
7. reporting, recording and safekeeping of cash, cheques and negotiable instruments.

13.3.2 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 18 of these Instructions.

13.3.3 Whilst each employee has a responsibility for the security of property of NHSGGC, 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.

13.3.4 Any damage to NHSGGC'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 18 of these Instructions).

13.3.5 Where practical, assets should be marked as NHSGGC property.

13.3.6 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.

### **13.4 DISPOSAL OF ASSETS**

13.4.1 All disposals of assets should secure maximum income for NHSGGC (or minimise the cost where the disposal has no proceeds). Assets with an estimated value greater than £1,000 should be disposed of on the open market with arrangements commensurate with the value of the disposal. Under this level, the responsible manager must record and demonstrate that the best outcome for NHSGGC has been obtained. Where the disposal incurs a cost to NHSGGC, it should be dealt with in accordance with SFI 10 Orders Quotations and Tenders.

13.4.2 Where a disposal is made to a related party (i.e. other than at "arms length") the circumstances should be reported to the Head of Procurement for approval and entry in the register of Waivers to Tender.

13.4.3 The above does not apply to the disposal of heritable property, which must be disposed of in accordance with the relevant guidance contained in the NHS Property Transaction Handbook.

13.4.4 All property disposals must be in accordance with the Board's clinical strategy and the approved Property Strategy. Where a service change requires disposal of a property the Directorate General Manager or Partnership Director as appropriate will notify the Head of Capital Planning and Procurement.

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- 13.4.5 The Head of Capital Planning and Procurement will ensure that disposal of the property is in line with the Boards Property and Asset Management Strategy and declare the property surplus.
- 13.4.6 A list of properties which have been declared surplus is maintained by the Head of Capital Planning and Procurement. Where it is proposed to dispose of a surplus property the disposal must be approved by the CPPG. Where the financial impact of the disposal is greater than £500,000 additional approval must be obtained from the Chief Executive. Financial impact is defined as sale proceeds or Net Book Value.
- 13.4.7 Any ongoing maintenance and security of the surplus property prior to disposal will be the responsibility of the Head of Capital Planning and Procurement.

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**SECTION 14**

**FINANCIAL INFORMATION MANAGEMENT**

**14.1 CODE OF PRACTICE ON OPENNESS AND FREEDOM OF INFORMATION**

14.1.1 The Code of Practice on Openness was originally produced by the NHS in Scotland Management Executive and sets out the basic principles underlying public access to information about the NHS in Scotland. All staff have a duty to comply with the Code.

14.1.2 The Freedom of Information (Scotland) Act 2002 (FOISA) places an obligation on public bodies to provide information, subject to certain exemptions (such as personal information etc.), to anyone who asks for it. Any request for information in permanent form (i.e. non verbal) is a FOISA request and must be responded to, within 20 working days. A number of officers throughout NHSSGC have been trained in the requirements of FOISA. Anyone receiving a formal request for information should immediately pass it to one of the FOISA trained officers or, alternatively, the Head of Administration.

14.1.3 Staff should continue to respond timeously to general requests for information, where it has been customary to do so, without reference to FOISA officers.

**14.2 CONFIDENTIALITY AND SECURITY**

14.2.1 All employees have a responsibility to treat as confidential information which may be available to them, obtained by them or derived by them whilst employed by NHSSGC. They should not breach this duty of confidence by disclosing confidential information, using it in an unauthorised manner, or providing access to such information to unauthorised individuals or organisations.

14.2.2 Executive Directors and Heads of Department are responsible for the security and accuracy of data relating to their area of responsibility. In particular, the Director of Finance is responsible for the security of NHSSGC data processed and stored by information systems designed or procured under his responsibility. He is responsible for ensuring the accuracy and security of NHSSGC's financial data, including that held on and processed by computer.

14.2.3 In discharging these responsibilities, Directors should follow the guidelines contained in NHS MEL (1992) 45 - Computer Security Guidelines.

14.2.4 These instructions should be read in conjunction with:-

1. the Computer Misuse Act 1990;
2. the Data Protection Act 1998;
3. the guidance on safeguarding personal data relating to contracting process contained in NHS MEL (1992) 14.;
4. the Information Security Policy issued by the SGHSCD;
5. NHS MEL (1999) 19 - Caldicott Guardians.

**14.3 CONFIDENTIALITY OF PERSONAL HEALTH INFORMATION**

14.3.1 Under the terms of NHS MEL (1999) 19 and subsequent guidance issued by the SGHSCD, NHSGGC has nominated the Director of Health Information and Technology as the Caldicott Guardian to "safeguard and govern the uses made within NHSGGC of patient identifiable information including both clinical and non clinical information." The Director of Health Information and Technology will be supported by the Boards Medical Director and the Director of Public Health.

**14.4 RESOLUTION OF CONFLICT**

14.4.1 The Director of Finance or the Director of Health Information and Technology must be consulted in the event of a conflict arising between NHSGGC's obligations under the Code of Practice on Openness/FOISA and the need to maintain confidentiality.

**14.5 COMPUTERISED FINANCIAL SYSTEMS**

14.5.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of NHSGGC, will ensure that:

1. procedures are devised and implemented to ensure adequate protection of NHSGGC'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. 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. adequate controls exist such that the computer operation is separated from systems development, maintenance and amendment;
4. an adequate audit trail exists through the computerised system and that such computer audit reviews as he may consider necessary are being carried out.

14.5.2 The Director of Finance will ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

14.5.3 The Director of Finance will ensure that contracts for computer services for financial 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 and the Director of Finance will periodically seek assurances that adequate controls are in operation.

14.5.4 Where computer systems have an impact on corporate financial systems, the Director of Finance must be satisfied that:

1. the acquisition, development and maintenance of such systems are in line with corporate policies including NHSGGC'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. finance staff have access to such data; and
4. such computer audit reviews as are considered necessary are being carried out.

#### 14.6 **RETENTION OF RECORDS**

14.6.1 Records should be retained in accordance with the guidance contained in:-

- HDL (2006) 28 - The Management, Retention and Disposal of Administrative Records;
- Public Records (Scotland) Act 1937;
- Public Records (Scotland) Act 2011;
- Data Protection Act 1998;
- Freedom of Information (Scotland) Act 2002;
- Caldicott Review of Patient Identifiable Information 1997;
- CEL (2008) 28 – Records Management: NHS Code of Practice

or any other relevant laws or regulations and subsequent instructions/guidance issued by the SGHSCD.

14.6.2 The Head of Board Administration will issue guidance on this matter as required and in cases of doubt his advice should be obtained.

**SECTION 15**

**ENDOWMENT FUNDS**

**15.1 GENERAL**

- 15.1.1 Endowment funds are defined as money or property donated to the Board and held on trust for such purposes relating to services provided under the National Health Service (Scotland) Act 1978 or in relation to hospitals, or to the functions of the Board with respect to research, as the Board may think fit. The Board is appointed as a corporate trustee to hold the funds and property attributable to the endowment funds and Board members are appointed as trustees of the endowment funds.
- 15.1.2 The endowments are constituted under the National Health Service (Scotland) Act 1978. As the NHSGGC Endowment Funds are registered with the Office of the Scottish Charities Regulator (OSCR) the Trustees must also comply with the Charities and Trustee Investment (Scotland) Act 2005.
- 15.1.3 The legally registered name of the charity is the Greater Glasgow Health Board Endowment Funds. "NHS Greater Glasgow and Clyde Endowment Funds" is the common name used to define the entity/organisation whose legal name is Greater Glasgow Health Board Endowment Funds.
- 15.1.4 The endowment Trustees are all the members of the Health Board. They are responsible for the general control and management of the charity in accordance with the NHS Greater Glasgow and Clyde Endowment Funds Charter and operating policies and procedures. Fundholders must comply with the Endowment Operating Instructions which are available on Staffnet.

**15.2 RISKS ASSOCIATED WITH RECEIVING CHARITABLE DONATIONS**

- 15.2.1 The purpose of the Boards endowment funds is the advancement of health through;
- (a) improvement in the physical and mental health of the local population;
  - (b) the prevention, diagnosis and treatment of illness;
  - (c) the provision of services and facilities in connection to the above; and
  - (d) the research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit.
  - (e) education and development in connection to the above

Charitable donations should only be accepted by the Trustees where they are consistent with this purpose.

The receipt of a charitable donation can attract substantial media interest, particularly where it represents a considerable amount of money. The Trustees must consider whether there are reasons why a donation might be inappropriate and therefore be refused. While the following list is not exhaustive, it sets out circumstances where a donation should be refused.

- It specifies further requirements that the Board cannot meet
- It specifies conditions which are incompatible with the purpose of the Boards endowments
- Onerous conditions are attached to the donation, which are not acceptable or cannot be met. For example, where the donation is for the provision of particular equipment or facilities, and the running of which would not be cost-effective or would be unaffordable.

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- The acceptance of a donation places the Board under any inappropriate obligation. For example to provide any preferential NHS treatment to parties specified by the donor.
- It would be wrong to accept the donation on ethical grounds. Acceptance of a gift from a particular source may be incompatible with the ethos of the Health Service, or be likely to alienate beneficiaries or other potential donors;
- The acceptance of the donation could result in unacceptable controversy or adverse publicity. For example, the charitable donation should not benefit the person or organisation making the charitable donation at the expense of NHS patients as a whole.
- The donation is made payable to individual members of staff.

15.2.2 Rather than having to refuse a potential donation, it may be possible to discuss with the donor or his/her legal adviser in the case of a draft will, a change to the terms of the proposal. The Board should, however, encourage people to make a general donation for Health Service purposes as this gives the greatest flexibility in the application of donations.

### **15.3 ACCEPTANCE OF NON-CHARITABLE DONATIONS**

15.3.1 Donations should only be accepted where they are compatible with the “advancement of health” as this is the purpose applicable to the Board’s endowment funds. Other donations should not be accepted by Endowments. Commercial Research funds or any income received in payment for services provided by the Board should be treated as exchequer rather than endowment income and administered by the Board. This guidance does not cover patients’ monies or staff funds.

### **15.4 APPROVAL OF EXPENDITURE**

15.4.1 Expenditure from Endowment Funds is restricted to the purpose(s) of the appropriate Fund and can only be made with the approval of the Trustees. Such approval will be delegated to the Director of Finance to authorise expenditure from General Funds against approved budgets.

15.4.2 Designated fundholders will be responsible for authorising/controlling expenditure incurred on those accounts for which they have designated fundholder responsibilities. They will be able to approve individual items of expenditure of up to £50,000 or such other amount as the Trustees may agree from time to time. For individual expenditure items in excess of £50,000 (or other agreed amount) up to a ceiling of £250,000, it will be necessary to obtain additional authorisation from two of the following:

Chief Executive  
Director of Finance,  
Chief Operating Officer, Acute Division  
Director of Finance, Acute Division

Individual expenditure items in excess of £250,000 must be authorised by the Trustees.

15.4.3 Any expenditure incurred from Endowment Funds must comply with SFI 10 – Orders, Quotations and Tenders.

### **15.5 CUSTODY AND SECURITY OF ASSETS**

15.5.1 All gifts must be held in NHSGGC's name in bank accounts specified for Endowments and withdrawals may only be sanctioned by authorised signatories. The Trustees can only accept gifts for purposes relating to the advancement of health. In cases of doubt, the Director of Finance should be consulted.

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15.5.2 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 Trustees. Property deeds will be held by the Central Legal Office.

15.5.3 Assets in the ownership of, or used by, NHSGGC as corporate trustee shall be maintained along with the general estate and inventory of assets of NHSGGC.

### **15.6 INVESTMENT**

15.6.1 Endowment Funds will be invested by the investment managers appointed by the Trustees. The investment managers will have full discretionary powers but subject to any restrictions that the trustees may impose from time to time.

15.6.2 The Endowment Funds Management Committee, will be responsible for reviewing proposals and making recommendations to the Trustees with respect to:

1. the investment strategy including policy on investment risks;
2. the appointment of investment managers and advisers;
3. receiving reports from the investment managers;
4. reviewing performance of the portfolio against relevant benchmarks and investment objectives.

15.6.3 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 Trustees on the following:

1. participation in common investment funds;
2. authorisation for the use of trust assets.

### **15.7 CONTROL OF ENDOWMENT FUNDS**

15.7.1 The Director of Finance will prepare and issue procedures in respect of NHSGGC funds. These procedures should cover the following matters:

1. governing instruments for every fund;
2. controls and authorisation to open new funds;
3. treatment of offers of new funds;
4. legacies and bequests;
5. controls over and authorisation of expenditure including lists of authorised signatories;
6. the accounts and records necessary to account for all transactions;
7. fund-raising;
8. trading income;

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9. investment income;
10. periodic reporting of balances.

15.7.2 The Director of Finance must ensure that:

1. the Trustees are advised on banking arrangements and with Board approval, securing the appropriate banking services;
2. the Trustees receive reports on receipt of funds, investment and any other matters agreed by the Board of Trustees;
3. annual accounts are prepared in the required manner within the agreed time-scales;
4. internal and external audit services are in place;
5. the Trustees receive reports on the outcome of the annual audit;
6. the Funds' liability to taxation and excise duty is managed appropriately;
7. legal advice is obtained where necessary.

**SECTION 16**

**FAMILY HEALTH SERVICES**

**16.1 INTRODUCTION**

16.1.1 NHSGGC discharges its responsibility under Part II of the NHS (Scotland) Act 1978 by contracting the provision of Family Health Services to doctors, dentists, pharmacists and optometrists who are independent contractors.

**16.2 INDEPENDENT CONTRACTORS**

16.2.1 NHSGGC will maintain lists of approved contractors, and will make additions to and deletions from those lists, taking into account the health needs of the local population, and the access to existing services. All applications and resignations received will be dealt with equitably, within any time limits laid down in the contractors' NHS terms of service.

16.2.2 NHSGGC will ensure that:

1. lists of all contractors, for which NHSGGC is responsible, are maintained and kept up to date;
2. systems are in place to deal with applications, resignations, and inspection of premises, etc., within the appropriate contractor's terms of service;
3. there are mechanisms to monitor the quality of services provided by contractors and where this is found to be unsatisfactory that appropriate remedial action is taken;
4. where a contractor is in breach of regulations, or whose service provision raises serious concerns, a report is submitted to the Reference Committee to consider disciplinary action;

**16.3 PAYMENTS PROCEDURE**

16.3.1 The Director of Finance will ensure:

1. that appropriate arrangements exist for payments to be made on behalf of NHSGGC by National Services Scotland;
2. payments are subject to controls which include checks that:
  - (a) the Statement of Financial Entitlement issued by SGHSCD has been correctly and consistently applied;
  - (b) overpayments are prevented (or if not prevented, recovery measures are initiated);
  - (c) fraud is detected;

This will involve a combination of pre and post payment verification in line with nationally agreed protocols.

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3. that arrangements are in place to identify contractors receiving exceptionally high, low or no payments, and highlight these for further investigation; and
4. that a prompt response is made to any query raised by National Services Scotland – Practitioner Services Division regarding claims from contractors submitted directly to them.
5. that controls and checks are in place to cover patients claiming exemption from NHS charges.
6. that any cases of contractor or patient fraud are investigated and criminal/civil/disciplinary action is taken where appropriate.

### 16.4 **FRAUD**

- 16.4.1 Any instances of suspected fraud or other financial irregularity must be reported in accordance with SFI 18, Fraud, Losses and Legal Claims.

### 16.5 **ENHANCED SERVICES**

#### 16.5.1 **Directed Enhanced Services**

- 16.5.1.1 Under the Primary Medical Services (Directed Enhanced Services) (Scotland) Directions 2012 (“DES Directions 2012”), each Health Board must establish and operate an Extended Hours Access Scheme, and as part of that scheme, must offer to enter into arrangements with primary medical services contractors in its area.

The core hours for services provided under the GMS contract remain unchanged. Where a practice has opted-out of out of hours provision, the provision for out of hours GP services remains the responsibility of the NHS Board. A contractor who has contracted to provide out of hours services and has also entered into arrangements for the Extended Hours Access Scheme will be required to provide extended hours over and above the out of hours provision.

- 16.5.1.2 Prior to issuing payments in accordance with the above paragraph, the Board will require contractors and providers who have entered into an arrangement in terms of the Extended Hours Access Scheme in the DES Directions 2012 to sign a declaration to confirm that they are meeting the requirements of the DES Directions 2012.

- 16.5.1.3 Quality and Outcomes Framework payments will be made to practices based on the national payment management system. Practices will confirm that the calculation of the payment is true and correct to the best of their belief. Payment will be authorised in accordance with the Scheme of Delegation.

#### 16.5.2 **National Enhanced Services**

- 16.5.2.1 The Board will determine which National Enhanced Services it wishes to implement.

- 16.5.2.2 The GMS Steering Group will authorise implementation of the National Enhanced Service ensuring that the financial impact is within available resources.

- 16.5.2.3 The national specification and guidelines for the National Enhanced Service will be applied.

#### 16.5.3 **Local Enhanced Services**

- 16.5.3.1 All practices are expected to provide essential and those additional services they are contracted to provide to all their patients. This enhanced service specification outlines the more specialised services to be provided. The specification of this service is designed to cover the enhanced aspects of clinical care of the patient, all of which are beyond scope of

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essential services. No part of the specification by commission, omission or implication defines or redefines essential or additional services.

16.5.3.2 The GMS Steering Group will authorise implementation of the Local Enhanced Service ensuring that the financial impact is within available resources.

16.5.3.3 The specification for the Local Enhanced Service will be agreed by the GMS Steering Group in consultation with the local Medical Committee.

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**SECTION 17**

**COMMUNITY HEALTH AND CARE PARTNERSHIPS/OTHER PARTNERSHIPS**

- 17.1 The Community Care and Health (Scotland) Act 2002, the Community Care (Joint Working etc) Regulations 2002 and the Community Health Partnerships (Scotland) Act Amendment Regulations 2010 provide flexibility which allows the Board to enter joint working arrangements with Local Authorities where this will improve outcomes for those who use healthcare services and their carers. All NHSGGC employed staff and any council employee managing NHSGGC funds must comply with these SFIs.
- 17.2 Under the NHS Reform (Scotland) Act 2004 the Board has delegated authority to Community Health Partnerships as prescribed by CHCP regulations and as specified in the approved schemes of establishment.
- 17.3 Each CHCP will have an overlying financial governance framework, including a Scheme of Delegation, which will clarify the applicability of the policies and procedures of the participating bodies. This will not override, or dilute, the requirement that these SFI's must be complied with in respect of all NHSGGC funded activities.

**17.4 PAYMENTS TO LOCAL AUTHORITIES UNDER SECTION 13**

- 17.4.1 Section 13 of the Community Care and Health (Scotland) Act 2002 allows the Board to make payments to a Local Authority for either revenue or capital expenditure. Before making such payments the Board must be satisfied that the payment:
- Has an effect in relation to the health of individuals;
  - Has an effect in relation to, or is affected by, any function of the Board; or
  - Is connected with any function of the Board.

In addition under regulation 2(2)(a) of the Act the Board must be satisfied:

- that the proposed payment is likely to secure more effective use of resources than applying the equivalent amount on the provision by it of services in performance of any of its functions;
- that the proposed payment is consistent with any local plan which relates to the function in respect of which the payment is to be made;
- that if the proposed payment is intended to meet or be applied towards capital costs the amount of the payment shall be determined before those costs are incurred;
- that the Local Authority to which the proposed payment is to be made intends to meet the balance of costs incurred or to be incurred in the performance of the function in respect of which the payment is to be made for so long as the Board consider necessary and desirable.

- 17.4.2 There will be a formal written agreement between the Board and the Local Authority covering:
- The function(s) which are the subject of the agreement;
  - The specific objectives which the payment is intended to secure and how the attainment of those objectives will be measured;
  - The establishment and operation of systems of monitoring, accounting and audit in respect of the payment and performance of the function in respect of which the payment is to be applied;
  - The provision to the Board by the Local Authority of audited accounts of expenditure against payments received at such intervals as may be agreed;

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- Variation of the amount of payment by the Board.

### 17.5 **POOLED BUDGETS**

17.5.1 An alternative to making payments to a Local Authority (or for a Local Authority to make payments to the Board) is to pool resources. The main characteristics of pooled budgets are:

- Resources are transferred to create a single fund
- The fund is managed by a single partner
- There will be a signed agreement which sets out respective contributions, short and long term objectives, management arrangements, and pool surplus/deficit sharing arrangements;
- Single financial governance. That of the host partner applies to the pooled resource;
- Freedom to vire resource within the pooled budgets
- Annual approval of the pooled budget by the Board and the Local Authority.

**SECTION 18**

**FRAUD, LOSSES AND LEGAL CLAIMS**

**18.1 FRAUD, OTHER CRIMINAL OFFENCES AND FINANCIAL IRREGULARITIES**

18.1.1 The Chief Executive, as Accountable Officer, is responsible for ensuring that all suspected fraud, theft, bribery, corruption and other financial irregularities are investigated and appropriate action taken. Operational responsibility for this is delegated to the Director of Finance and/or NHSGGC's Fraud Liaison Officer(s), who will take/instruct the necessary action and keep the Chief Executive apprised of any salient issues, or where controversy may arise. NHSGGC has a formal Fraud Policy, which sets out the Board's policy and individuals' responsibilities. The Policy is supported by a Fraud Action Plan which details the procedures to be followed when fraud, theft, corruption or other financial irregularities are suspected (ensuring compliance with circular HDL(2005)5). The following paragraphs provide an outline of the requirements but the Fraud Policy and relevant section of the Fraud Action Plan should be referred to for further detail.

18.1.2 The definitions of fraud, corruption and embezzlement (generally referred to as "fraud") and the related activity of theft are contained in the Fraud Policy, and are as follows:-

*Fraud: the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.*

*Bribery or Corruption: the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.*

*Embezzlement: the felonious appropriation of property by a person to which it has been entrusted.*

*Theft: the dishonest appropriation of the property of another with the intention of permanently depriving them of it.*

18.1.3 NHSGGC will take appropriate legal and/or disciplinary action against any employee, director, contractor or other third party if any of the above offences are found to be proven. In instances where there is sufficient evidence to support a criminal prosecution there is a presumption that a referral will be made to the Procurator Fiscal for consideration.

18.1.4 Every officer has a duty to report, without delay, any instances of fraud, corruption, embezzlement, theft or other financial irregularities that they discover. This also includes any reasonably held suspicions that such circumstances have occurred (or are about to occur). This should normally be reported to the officer's line manager, in the first instance, but may be reported directly to the Director of Finance or Fraud Liaison Officer if there are concerns about reporting to the line manager. NHSGGC encourages anyone having reasonably held suspicions of fraud, or other irregularity, to report it. Individuals should have no fear of reporting such matters unless they know their allegations to be groundless and/or raised maliciously.

18.1.5 In cases where fraud, bribery, corruption or embezzlement is suspected, all investigations must be carried out by staff from NHSS Counter Fraud Service. Line managers must therefore immediately contact the Director of Finance or Fraud Liaison Officer who will arrange preliminary discussions with NHSS Counter Fraud Service. No action should be taken, that may prejudice the outcome of any potential criminal prosecution, prior to consultation with the NHSS Counter Fraud Service. This does not however prevent immediate action being taken where there are issues regarding safety and/or suspicions that evidence may be destroyed. Further guidance is available in the Fraud Action Plan.

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18.1.6 In cases of theft, line managers should contact the Fraud Liaison Officer and the police. Local managers should assume that they have delegated authority to investigate minor thefts (subject to the approval of their service head) but should still contact the Fraud Liaison Officer to confirm this and to discuss any requirements for specialist assistance. Any major thefts, or theft involving some form of deception (which may require investigation by the NHSS Counter Fraud Service), should be discussed immediately with the Fraud Liaison Officer. There is a presumption that all thefts should be reported to the police and that the crime reference should be entered on the Incident Report Form IR1 and Loss Report. Managers must submit a copy of their formal investigation report (which will be satisfied by an IR1 or Loss Report in simple cases) to NHSGGC's Fraud Liaison Officer.

18.1.7 NHSGGC is not authorised to carry out any form of covert surveillance. If any manager considers that such a measure is necessary to detect or prevent a crime then they should contact the Fraud Liaison Officer to arrange assistance from the NHSS Counter Fraud Service.

18.1.8 It is possible that any instance of fraud or other financial irregularity, may attract enquiries from the media or other outside sources. Staff should not make statements to the media regarding any financial irregularity, as this could prejudice the outcome of any criminal enquiry or proceedings. Any enquiries from the media or third parties should, in line with normal NHSGGC policy, be referred to NHSGGC's Communications Office, which will provide an appropriate response after consultation with the NHSS Counter Fraud Service and/or the Fraud Liaison Officer.

### 18.2 **LOSSES AND SPECIAL PAYMENTS**

18.2.1 The Director of Finance will ensure that procedural instructions on the recording of, and accounting for, condemnations, losses and special payments are prepared and issued.

18.2.2 Any officer discovering or suspecting a loss of any kind will immediately inform his local manager. The manager will complete a loss form which will be signed by a budget holder and submitted to Operational Financial Services. Losses in excess of the Budget Holder's delegated authority to write off losses should also be authorised by the appropriate Chief Operating Officers/Partnership Director. Where the loss is due to fraud or theft, the manager will immediately act as detailed at section 18.1 above.

18.2.3 The Director of Finance will ensure that a losses register in which details of all losses and compensations will be recorded as they are known is maintained.

18.2.4 The Board will approve the writing off of losses, within the limits delegated to it from time to time by the SGHSCD, except that delegated responsibility may be given by the Board to the Chief Executive or other officers. Any significant losses written off under this delegated authority will be reported to the Audit Committee (or appropriate Audit Support Group) of NHSGGC. Details of the delegated levels of authority are given in the Scheme of Delegation.

18.2.5 No losses or special payments that exceed the limits delegated to NHSGGC by the SGHSCD will be made without their prior approval.

18.2.6 The Director of Finance is authorised to take any necessary steps to safeguard NHSGGC's interest in bankruptcies and company liquidations.

18.2.7 For any loss, the Director of Finance will consider whether

1. any insurance claim can be made against insurers; or

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2. legal action can be taken to recover all or part of the amount of the loss.

18.2.8 All changes to securities will require the approval of the Director of Finance since they affect the Board's financial exposure and risk of bad debts.

**18.3 CLAIMS FOR MEDICAL/CLINICAL NEGLIGENCE**

18.3.1 The Head of Board Administration will arrange for the Acute Services Division and Partnerships to hold a register of claims for medical and clinical negligence including details of payments made.

**18.4 OTHER LEGAL CLAIMS**

18.4.1 The Head of Board Administration will arrange for the Acute Services Division and Partnerships to hold a register of other legal claims e.g. under Health and Safety legislation.

**18.5 DISPOSALS AND CONDEMNATIONS**

18.5.1 The procedures for the disposal of assets are set out in these instructions at Section 13 - Assets.

18.5.2 The Director of Finance will ensure that procedures for the recording and condemnation of all unserviceable items are prepared and issued.

**SECTION 19**

**PATIENTS' PRIVATE FUNDS AND PROPERTY**

**19.1 PROCEDURE**

19.1.1 NHSGGC has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, found in the possession of unconscious or confused patients, found in the possession of mentally disordered patients, or found in the possession of patients dying in hospital. Such property shall be dealt with as provided below and in accordance with the Adults with Incapacity (Scotland) Act 2000.

19.1.2 Patients or their guardians, as appropriate, shall be informed before or at admission by:

- notice and information booklets;
- hospital admission documentation and property records; and
- the oral advice of administrative and/or nursing staff responsible for admissions

that NHSGGC will not accept responsibility or liability for patients' property brought into Board premises, unless it is handed in for safe custody and a receipt is obtained acknowledging property handed over.

19.1.3 The Director of Finance will ensure that there are detailed written instructions on the collection, custody, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of property of deceased patients and patients transferred to other premises) for all staff whose duty it is to administer, in any way, the property of patients. These instructions will incorporate the guidance on this subject issued from time to time by the SGHSCD and will be in a form approved by the Supervisory Body.

19.1.4 Any money or property handed over for safekeeping will be evidenced by the issue of an official receipt.

19.1.5 Records of patients' property shall be completed by a member of the hospital staff in the presence of a second member of staff and in the presence of the patient or the personal representative, where practicable. It should be signed by the member of staff and by the patient, except where the latter is restricted by physical or mental incapacity, in which case it should be witnessed by the signature of a second staff member.

19.1.6 Patients' income, including pensions and allowances, shall be dealt with in accordance with current SGHSCD guidelines and Department of Work and Pensions regulations.

19.1.7 Where monies or valuables are handed in to other than the Patients' Funds Cashier then they will be held securely and transferred to the Patients' Funds Cashier at the first reasonable opportunity.

19.1.8 Patients' funds will be banked and administered in accordance with instructions provided by the Director of Finance. Any funds not required for immediate use will be lodged in an interest bearing account with interest being credited to individual patients based on the level of funds held by each patient. Bank and funds reconciliations should be prepared on a monthly basis and reviewed by a more senior officer not involved in the day to day operation of the funds.

19.1.9 In the case of patients incapable of handling their own affairs, and unless their affairs are managed under legal authority by some other party, their affairs will be managed in accordance with the Adults with Incapacity (Scotland) Act 2000 and the associated policies approved by the Board's Supervisory Body.

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- 19.1.10 In all cases where property, including cash and valuables, of a deceased patient is of a total value of more than £10,000 (or such other amount as may be prescribed by legislation and advised by the SGHSCD), production of a Confirmation of Estate will be required before any of the property is released. Where the total value of the property is less than £10,000, forms of indemnity will be obtained (although confirmation of estate may still be obtained in instances where dispute is likely).
- 19.1.11 In respect of a deceased patient's property, if there is no will and no lawful kin, the property vests in the Crown, and particulars will, therefore, be notified to the Queen's and Lord Treasurer's Remembrancer.
- 19.1.12 Staff should be informed on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 19.1.13 Staff should not benefit directly or indirectly from the management of patients' private funds or property. Where it could be perceived that a member of staff may benefit, directly or indirectly (e.g. through accompanying a patient on holiday), then the expenditure and activity should be approved by the Multi-disciplinary Review Team.
- 19.1.14 The Board is not authorised to hold funds or valuables on behalf of patients in a community setting. Staff should decline requests to do so otherwise they could become personally liable in the event of loss.

### **19.2 OUTSIDE CONTRACTORS**

- 19.2.1 Where NHSGGC contracts with a private, voluntary sector or non NHS body for the provision of NHS patient care, the Director of Finance will ensure that the relevant contract specifies standards to be adopted for the administration and management of patients' private funds and property.
- 19.2.2 Detailed instructions, equivalent to those adopted by the Health Board, will be required and 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. The Director of Finance will ensure the performance of partnership providers is monitored and measured against these procedures.

**SECTION 20**

**USE OF CONSULTANCY SERVICES (NON-MEDICAL)**

**20.1 DEFINITION**

20.1.1 An external consultancy service is defined as:

- a) an ongoing exchange of intellectual or professional information; where
- b) the commission ends on completion of a defined output; and
- c) the day to day management of the consultant remains with the supplier.

20.1.2 External consultants should only be used where the required skills and expertise to deliver the project cannot be provided internally.

**20.2 MANAGEMENT CONSULTANTS**

20.2.1 Where use of management consultants is being considered, the guidance contained in Circular NHS MEL (1994) 4 must be observed. This guidance covers the engagement, control and reimbursement of fees to management consultants.

**20.3 CAPITAL PROJECTS**

20.3.1 Where external consultants such as architects, design consultants, surveyors etc are engaged on capital projects, including HI&T projects, the Board should follow the guidance contained in SCIM including the requirement for a post project evaluation.

**20.4 REVENUE FUNDED PROJECTS**

20.4.1 External consultants for revenue funded projects should only be engaged where it is considered to be the best way to deliver a focused outcome of value to the Board.

20.4.2 All engagements must have a clearly defined remit and outcome which will enable the Board to deliver its approved clinical strategy.

20.4.3 A post project evaluation should be undertaken to assess whether the required outcome has been achieved.

**20.5 PROCUREMENT**

20.5.1 Engagement of all external consultants will be undertaken in accordance with Section 9, Non-Pay Expenditure and Section 10, Orders, Quotations and Tenders, of these SFIs.

20.5.2 All legal services will be obtained through NHS Central Legal Services (CLO).

NHS Greater Glasgow and Clyde  
Scheme of Delegation

**Draft**

# NHS Greater Glasgow and Clyde Scheme of Delegation

1. Matters Reserved for Board Agreement
2. Matters Delegated Corporate Management Team
3. Scheme of Delegation arising from Board Standing Orders
4. Scheme of Delegation arising from Board Standing Financial Instructions
5. Scheme of Delegation arising from other areas of Corporate Governance

# NHS Greater Glasgow and Clyde Scheme of Delegation

## RESERVATION OF POWERS AND DELEGATION OF AUTHORITY

### 1. SCHEDULE OF MATTERS RESERVED FOR BOARD AGREEMENT

#### 1.1 Background

- 1.1.1 As defined in the NHS Circular HDL(2003) 11 "Working Towards Single System Working", Greater Glasgow & Clyde NHS Board is a board of governance, delivering a corporate approach to collective decision making based on the principles of partnership working and devolution of powers. Local leadership will be supported by delegating financial and management responsibility as far as is possible consistent with the Boards own responsibility for governance.
- 1.1.2 The Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs and that of its operating divisions and partnerships, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in practice.
- 1.1.3 The Board is required to ensure that it conducts a review of its systems of internal control, including in particular its arrangements for risk management, at least annually, and to report publicly on its compliance with the principles of corporate governance codes.

#### 1.2 Matters reserved for Board Agreement

The following matters shall be reserved for agreement by the Board: -

1. Improving the Health of the population;
2. Strategic Development and direction;
3. Development and Implementation of the Local Delivery Plan;
4. Monitoring of waiting times and handling of complaints;
5. Resource Allocation (for both Capital and Revenue resource allocation);
6. Approval of Annual Accounts;
7. Scrutiny of Public Private Partnerships
8. Approve appointment process of Executive Directors;
9. NHS Statutory Approvals;
10. Corporate governance functions including
  - Standing Orders
  - Establishment, remit, membership and reporting arrangements for all Board Committees
  - Standing Financial Instructions

# NHS Greater Glasgow and Clyde Scheme of Delegation

## 2. SCHEDULE OF MATTERS DELEGATED TO OFFICERS OF THE BOARD

The Corporate Management Team (CMT) is the senior management decision-making body for NHSGG&C and carries out an overview of the Board's responsibilities in developing strategy, Policy and assessing performance against agreed objectives.

It also manages the business of the NHS Board by reviewing and endorsing Board-wide strategies, policies and actions to ensure a corporate position is achieved prior to submission to the NHS Board and its Standing Committees for consideration and approval.

Any reference in this scheme to a statutory or other provision shall be interpreted as a reference to that provision as amended from time to time by any subsequent legislation.

Any power delegated to a chief officer in terms of this scheme may be exercised by such an officer or officers of his or her department as the chief officer may authorise.

## 3. SCHEME OF DELEGATION ARISING FROM STANDING ORDERS

	<b>Area of Responsibility</b>	<b>Committee Approval Required</b>	<b>Officer Responsible</b>
3.1	Maintenance of Register of Board Members interests	N/A	Head of Board Administration
3.2	Maintenance of a Register of gifts/hospitality for Board members	N/A	Head of Board Administration
3.3	Execution of Documents on behalf of Scottish Ministers relating to Property transactions	N/A	Chief Executive/ Director of Finance/ Director of Corporate Planning and Policy/ Chief Operating Officer

# NHS Greater Glasgow and Clyde Scheme of Delegation

## 4. SCHEME OF DELEGATION ARISING FROM STANDING FINANCIAL INSTRUCTIONS

A scheme of delegation is approved in respect of the following Standing Financial Instructions (SFIs):-

Section	Title
2	Allocations, Business Planning, Budgets, Budgetary Control and Monitoring
3	Annual Accounts and Reports
5	Banking Arrangements
6	Income, Security of Cash, Cheques and other Negotiable Instruments
7	Healthcare Service Provision
8	Pay Expenditure
9	Non-Pay Expenditure
10	Orders, Quotations and Tenders
11	Management and Control of Stock
12	Capital Investment
15	Endowment Funds
16	Family Health Services
18	Fraud, Losses and Legal Claims
19	Patients' Private Funds and Property

4.1 Allocations and Budgets					
	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Preparation and approval of Revenue and Capital Financial Plans	2.2	Board	Director of Finance	Revenue Resource Limit/Capital Resource Limit
2	Preparation and submission of Budgets		N/A	Director of Finance	Revenue Resource Limit
3	Preparation and submission of Budgets - Acute Division		CMT	Director of Finance - Acute	Limit as per Financial Plan
4	Preparation and submission of Budgets - Partnerships/CH(C)Ps		CMT	Director of Finance - Partnerships	Limit as per Financial Plan

# NHS Greater Glasgow and Clyde Scheme of Delegation

5	Establishment and maintenance of Budgetary Control System		Audit Committee	Director of Finance	N/A
6	Delegation of Budgets			Chief Executive	Limit as per Financial Plan
7	Approval of Change Programmes		Board (where proposal includes major service change, headcount change or expenditure >£5m); CMT up to £5m with minutes to Q&P	Chief Executive/Director of Finance	Within available resources
8	Authority to use N/R budget to fund recurring expenditure	2.4	N/A	Chief Executive	Within available resources
9	Virement of budget - Acute		Operational Management Group	Chief Operating Officer/Director of Finance - Acute	Within available budget in support of agreed Board strategy
10	Virement of budget – CH(C)Ps		CH(C)P Senior Management Team	CH(C)P Director	Within available budget in support of agreed Board strategy
11	Authority to commit expenditure for which no provision has been made in approved plans/budgets		Board	Chief Executive/ Director of Finance	Board – within available resources Chief Executive up to £2m Director of Finance up to £250k

## 4.2 Annual Accounts and Reports

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Submission of monitoring returns	2.6	N/A	Director of Finance	In accordance with SGHSCD requirements
2	Approval of Annual Accounts	3	Board	Chief Executive	In accordance with Accounts Manual
3	Preparation of Governance Statement	3	Audit Committee and Board	Director of Finance	In accordance with Accounts Manual

## 4.3 Banking Arrangements

1	Opening of Bank accounts in the Board's name	5	Board	Director of Finance	N/A
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# NHS Greater Glasgow and Clyde Scheme of Delegation

2	Notification to bankers of authorised signatories on bank accounts	5	Board	Director of Finance	N/A
3	Transfers to/ from OPG Account; to/ from Bank Accounts	5	N/A	2 signatories from panel authorised by the Board	N/A
4	BACS/CHAPS/SWIFT/cheque/ Payable Order payments	5	N/A	2 signatories from panel authorised by the Board	N/A

\*BACS – Bankers Automated Clearing System; CHAPS – Clearing Houses Automated Payment System;  
SWIFT – Society for World-wide Interbank Financial Telecommunications.

4.4 Healthcare Contracts/Service Level Agreements					
1	Healthcare Agreements	7	CMT	Chief Executive/ Director of Finance/ Director of Corporate Policy and Planning/ Director of Human Resources/ Director of Corporate Communications/ Director of Public Health/ Director of Health & Information Technology/ Chief Operating Officer (Acute)/ CH(C)P Directors/ Head of Board Administration/ Director Centre for Population Health/Head of Procurement	CMT approval required for all agreements >£1.5m
2	Resource Transfer	7	Partnership Directors	CH(C)P Director	Within approved budget
3	Setting of Fees and Charges: income generation - Board	6.2	N/A	Director of Finance; Head of Finance – Corporate Financial Reporting; Head of Financial Services	N/A
4	Setting of Fees and Charges: Private Patients, overseas visitors, income generation and other patient related services - Acute	5	N/A	Director of Finance – Acute; Directorate Heads of Finance	N/A
5	Setting of Fees and Charges: Private Patients, overseas visitors, income generation and other patient related services - Partnerships	5	N/A	Director of Finance; CH(C)P Heads of Finance	N/A
6	Grants awarded to other parties	5	N/A	Budget Holder	Within approved budget

# NHS Greater Glasgow and Clyde Scheme of Delegation

4.5 Pay expenditure					
	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Preparation of Manpower Plan, Human Resource policies and strategy	8	Board/Staff Governance Committee	Director of Human Resources	
2	Responsibility for implementing changes to terms and conditions of service		Board/Staff Governance Committee	Director of Human Resources	Within national guidance
3	Preparation of contracts of employment			Director of Human Resources	Compliance with current legislation and agreed terms and conditions
4	Approval of Severance agreements – Executive cohort		Remuneration Sub-Committee	Chief Executive (Chairman where severance agreement is for Chief Exec.) and Director of Human Resources	
5	Approval of Severance agreements -all other staff			Director of Human Resources/ Director of Finance	Compliance with current legislation and agreed terms and conditions; within available funding
6	Settlement of employment litigation claims			Director of Human Resources with a Board Director	
7	Executive and Senior management Pay		Remuneration Sub-Committee	Director of Human Resources	Compliance with current legislation and agreed terms and conditions
8	Engagement, termination, re-engagement, regrading of staff			Budget Holder	Within approved budget and funded establishment and in accordance with approved HR policies
9	Approval of hours worked			Budget Holder	Within approved budget
10	Approval of Leave			Budget Holder	In accordance with agreed Ts&Cs
11	External contractors			Budget Holder	Within approved budget

# NHS Greater Glasgow and Clyde Scheme of Delegation

<b>4.6 Non-Pay Expenditure</b>					
	<b>Area of Responsibility</b>	<b>SFI</b>	<b>Committee Approval Required</b>	<b>Officer Responsible</b>	<b>Limits Applying</b>
1	Preparation of Procurement Strategy	9	CMT	Head of Procurement	N/A
2	Implementation of Procurement Strategy			Head of Procurement	N/A
2	Implementation of Procurement Strategy - Pharmacy			Pharmacy procurement lead	All medicines
2	Implementation of Procurement Strategy – IM&T			IM&T procurement lead	All IT projects, software, hardware and desktop
2	Implementation of Procurement Strategy – operational estates			Operational estates procurement lead	Minor building and building repair works
2	Implementation of Procurement Strategy - Capital estates			Head of Capital Planning & Procurement	All major building projects

<b>4.7 Orders, Quotations and Tenders</b>					
	<b>Area of Responsibility</b>	<b>SFI</b>	<b>Committee Approval Required</b>	<b>Officer Responsible</b>	<b>Limits Applying</b>

# NHS Greater Glasgow and Clyde Scheme of Delegation

1	Request for tender/purchase (including specification) revenue - Health supplies/ services revenue - other supplies/ services	10		Budgetholder	In accordance with approved strategy/ Business Case/ Project Authorisation Checklist
2	Approval of Non Pay revenue expenditure		Q&P over £5m; CMT up to £5m	Chief Executive up to £5m; Director of Finance up to £4m;	
3	Approval of Non IM&T Capital expenditure		Q&P over £5m; CPPG up to £5m	Chief Executive up to £5m; Director of Finance up to £4m; Head of Capital Planning & Procurement up to £1m;	
4	Approval of IM&T Capital expenditure		Q&P over £2m; CPPG up to £2m	Chief Executive up to £2m; Director of Finance up to £2m;	
5	Placing external commitments/ contract awards		Q&P over £5m; CMT up to £5m	Chief Executive up to £5m; Director of Finance up to £4m; Head of Procurement up to £2m	Approval requests will be accompanied by a tender report signed by the Head of Procurement supporting award of the contract.
6	Maintenance of Contract Register			Head of Procurement	N/A
7	Maintenance of Tender Register			Head of Procurement; Head of Department for each Board Procurement Lead	N/A

## 4.8 Management and Control of Stock

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Issue of Stores recording and operating procedures	10		Director of Finance	All stocks
2	Day to day management and security arrangements			Head of Pharmacy and Prescribing Support Unit	Pharmacy stock
3	Day to day management and security arrangements			Director of Facilities	All other stocks

# NHS Greater Glasgow and Clyde Scheme of Delegation

4.9 Capital Investment					
	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Approval of Business Cases - non IM&T	12	Quality & Performance Committee;  CPPG Acute CP Forum; Partnerships Consolidated CPG		SGHSCD CIG approval required over £5m  Quality & Performance Committee over £1.5m  CPPG up to £1.5m  Acute CP Forum; Partnerships Consolidated CPG up to £1.5m where funded from formula capital allocation
2	Approval of Business Cases - IM&T		Quality & Performance Committee  CPPG  HI&T Programme Boards	Director of HI&T	SGHSCD CIG approval required over £2m  Quality & Performance Committee over £2m;  CPPG up to £1.5m where in accordance with approved IM&T strategy  HI&T Programme Boards up to £100k where funded from formula allocation
3	Property acquisitions/ disposals		Quality & Performance Committee  CPPG		Quality a& Performance Committee over £1.5m  All acquisitions and disposals up to £1.5m  Where financial impact of a disposal is >£500k additional Chief Executive approval required
4	Lease/rental agreements		Quality & Performance Committee  CPPG	Chief Executive/ Director of Finance /Director of Corporate Planning & Policy/ Chief Operating Officer – Acute; Director – Glasgow City CHP,	Quality & Performance Committee over £1.5m  CPPG where the annual value is up to £1.5m

## NHS Greater Glasgow and Clyde Scheme of Delegation

5	Strategy for Investment in GP practices		CPPG		
6	Concessionary Leases		CPPG over £5,000		
7	Hub projects		Quality & Performance Committee  CPPG		SGHSCD CIG approval required over £5m capital value  Quality & Performance Committee over £1.5m capital value  CPPG up to £1.5m capital value

### 4.10 Management of Endowment Funds

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Expenditure budget for general funds	15	Endowment Trustees		
2	Approval of expenditure from Endowment Funds		Endowment Trustees	Endowment Trustees Fundholder/ authorised signatory plus Chief Exec. or Director of Finance or Chief Operating Officer or Director of Finance Acute  Fundholder/ authorised signatory to fund	Over £250,000  Between £250,000 and £50,000  Up to £50,000
3	Appointment to endowment funded posts		Endowment Sub-Committee/ Endowment Management Committee	Director of Finance	All Endowment funded posts
4	Maintenance of Accounts and Records			Director of Finance	
5	Access to share and stock certificates, property deeds			Director of Finance	

## NHS Greater Glasgow and Clyde Scheme of Delegation

7	Opening of Bank accounts in the Endowment Fund name			Director of Finance	
8	Acceptance of endowment funds		Endowment Trustees	Director of Finance	Funds may only be accepted where consistent with the charitable purpose of the Endowment Funds
9	Correspondence re legacies and giving good discharge to executors			Director of Finance	
10	Investment of Endowment Funds		Endowment Trustees	Director of Finance	
11	Nominee for grants of probate or letters of administration			Director of Finance	

### 4.11 General Medical Services

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Agreement of GMS budget	16	Board	Chief Executive/ Director of Finance	Within limits of Financial Plan
2	Preparation of local aspects of GMS Contracts		GMS Steering Group	CH(C)P Lead Director	
3	Agreement of local aspects of GMS Contracts		GMS Steering Group	CH(C)P Lead Director	Chief Executive/ Director of Finance countersignature required
4	GMS payments -		N/A	Head of Primary Care Support	In accordance with agreed contract and within overall budget
5	Monitoring of contractors covered by GMS Contract		N/A	Medical Director	

### 4.12 Fraud, Losses and Legal Claims

# NHS Greater Glasgow and Clyde Scheme of Delegation

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
1	Notification of discovered fraud/criminal offences to SGHD	18		Director of Finance	
2	Writing off of losses/ ex-gratia payments		SGHSCD		Over £25,000
3	Writing off of losses/ ex-gratia payments			Chief Executive/ Director of Finance/ Director of Corporate Policy and Planning/ Director of Human Resources/ Director of Corporate Communications/ Director of Public Health/ Director of Health & Information Technology/ Chief Operating Officer (Acute)/ CH(C)P Directors/ Head of Board Administration	Up to £25,000
4	Maintenance of medical negligence claims register			Head of Board Administration	
5	Maintenance of legal claims register			Head of Board Administration	
6	Settlement of legal claims		SGHSCD		Clinical claims Over £250,000; non-Clinical claims over £100,000
7	Settlement of legal claims			Nominated Directors and relevant Head of Administration	Clinical claims up to £250,000; non-Clinical claims up to £100,000
8	Action to safeguard the Board's interests in bankruptcies and company liquidations.			Director of Finance	

## 4.13 Patients Private Funds and Property

	Area of Responsibility	SFI	Committee Approval Required	Officer Responsible	Limits Applying
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# NHS Greater Glasgow and Clyde Scheme of Delegation

1	Authorisation of Manager and Establishments to manage residents affairs	19		Chief Executive	Within the terms of the Adults with Incapacity (Scotland) Act 2000.
2	Monitoring and reviewing arrangements for the management of residents affairs			Chief Executive	Within the terms of the Adults with Incapacity (Scotland) Act 2000.
3	Establishment of arrangements for the safe custody of patients' and residents' property			Chief Executive	Within the terms of the Mental Health Act 1984, Adults with Incapacity Act 2000 and guidance laid down by the Scottish Executive.
4	Arrangements for the opening and management of bank accounts.			Director of Finance	
5	Establishment of detailed procedures for the safe custody and management of patients' and residents' property			Director of Finance	
6	Provision of a receipts and payments statement in the approved format annually			Director of Finance	

## 5. Corporate Governance – Non-financial

### 5.1 Clinical Governance

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Approval of Clinical Governance Strategy	Quality & Performance Committee	Medical Director
2	Approval of research and development studies including associated clinical trials and indemnity agreements for commercial studies	Research and Ethics Committees	Medical Director
3	Preparation of Patients Complaints Policy	Board	Head of Board Administration/ Nurse Director

# NHS Greater Glasgow and Clyde Scheme of Delegation

4	Monitoring and reporting of Patients complaints	Board	Head of Board Administration/ Nurse Director
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## 5.2 Risk management

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Risk Management Strategy	Audit Committee	Chief Executive
2	Health & Safety	Health & Safety Forum	Chief Executive
3	Prescribing policies	Area Drug & Therapeutic Committee	Head of Pharmacy & Prescribing Support Unit
4	Establishment and administration of insurance arrangements		Director of Finance

## 5.3 Health Planning

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Preparation of Corporate Plan	Board	Director of Corporate Policy and Planning
2	Preparation of local Delivery Plan	Board	Director of Corporate Policy and Planning

## 5.4 Access

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Achievement of waiting times targets	Board	Chief Operating Officer
2	Procedure for patients who wish to appeal against clinical decisions on their continuing healthcare		Medical Director

## 5.5 Information Governance

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Responsibility for Information Management Systems & Strategy	Information Governance Steering Group	Chief Executive

# NHS Greater Glasgow and Clyde Scheme of Delegation

2	Clinical responsibility for IM&T Strategy		Medical Director
3	Data Protection Act		Chief Executive
4	Caldicott Guardian		Director of Health Information & Technology supported by Medical Director
5	Freedom of Information Policy		Head of Board Administration

## 5.6 Communication

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Preparation of Communication Strategy	Board	Director of Communications
2	Preparation of Annual Report	Board	Director of Communications
3	Communication of and adherence to SFIs and Scheme of Delegation		Director of Finance
4	Distribution of all relevant new legislation, regulations, good practice and case law		Head of Policy

## 5.7 Emergency and Continuity Planning

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Preparation and maintenance of comprehensive Emergency Plan	Board	Director of Public Health
2	Preparation and maintenance of Business Continuity Plan	Board	Director of Public Health

## 5.8 Other Areas

	Area of Responsibility	Committee Approval Required	Officer Responsible
1	Patient Focus Public Involvement		Nurse Director

## NHS Greater Glasgow and Clyde Scheme of Delegation

2	Health Promotion and Education		Director of Public Health
3	Public Health programme		Director of Public Health
4	Achievement of SGHSCD targets for reduction in Healthcare Associated Infection (HAI) rates		Medical Director
5	Preparation and dissemination of Scheme of Delegation	Board	Director of Finance
6	Sealing of Documents with the Board Seal		Head of Board Administration