



CORPORATE GOVERNANCE FRAMEWORK

March 2023 Version 1.0

CORPORATE GOVERNANCE FRAMEWORK

SECTION 1 - INTRODUCTION

SECTION 2 - STANDING ORDERS

SECTION 3 - TERMS OF REFERENCE

3.1 Audit and Risk Committee

3.2 Clinical Governance and Quality Improvement Committee

3.3 Finance, Procurement and Performance Committee

3.4 Staff Governance Committee

3.5 Remuneration and Succession Planning Committee

SECTION 4 - SCHEME OF DELEGATION

SECTION 5 - STANDING FINANCIAL INSTRUCTIONS

SECTION 6 - CODE OF CONDUCT FOR BOARD MEMBERS

APPENDIX 1 - BOARD AND COMMITTEE MEETING DATES

APPENDIX 2 - BOARD AND COMMITTEE MEMBERSHIP

SECTION 1 – INTRODUCTION

- 1.1 National Services Scotland's (NSS) Code of Corporate Governance (CGG) is based on the general principles of the UK Corporate Governance Code and the NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance (BGG) Second Edition.
- 1.2 The UK Corporate Governance Code defines corporate governance as the system by which organisations are directed and controlled.
- 1.3 The NHS Scotland *Health Boards and Special Health Boards – Blueprint for Good Governance Second Edition* includes a definition of governance in healthcare and has been developed for use by NHS Scotland. This definition has been expressed as:

“Governance is the means by which NHS Boards direct and control the healthcare system to deliver Scottish Government policies and strategies and ensure the long-term success of the organisation. It is the ability to ask questions and make decisions to improve population health and address health inequalities, while delivering safe, effective and high quality healthcare services. It is to be distinguished from executive-led operational management.”

- 1.4 The Blueprint also identifies ten principles of good governance. These are:
 1. Good governance requires the Board to set strategic direction, hold executives to account for delivery, manage risk, engage stakeholders and influence organisational culture.
 2. Good governance requires a Board that consists of a diverse group of people with the necessary skills, experience, values, behaviours and relationships.
 3. Good governance requires that roles, responsibilities and accountabilities at Board and executive level are clearly defined and widely communicated.
 4. Good governance requires an assurance framework that aligns strategic planning and change implementation with the organisation's purpose, aims, values, corporate objectives and operational priorities.
 5. Good governance requires an integrated governance system that coordinates and links the delivery of strategic planning and commissioning, risk management, assurance information flows, audit and sponsor oversight.
 6. Good governance requires operating guidance that is agreed, documented, widely- communicated and reviewed by the Board on a regular basis.

7. Good governance requires regular evaluation of governance arrangements to ensure it is proportionate, flexible and subject to continuous improvement.
 8. Good governance requires an active approach that anticipates and responds to risks and opportunities which could have a significant impact on the delivery of corporate objectives, the Board's relationships with stakeholders and the management of the organisation's reputation.
 9. Good governance requires a collaborative approach that ensures the organisation's systems are integrated or aligned with the governance arrangements of key external stakeholders.
 10. Good governance requires governance arrangements that are incorporated in the organisation's approach to the management of day-to-day operations and the implementation of change.
-
- 1.5 The NSS CGF sets out the governance framework for the organisation. This includes; the **Standing Orders** to regulate conduct of business at the NSS Board and Committee meetings; the **Committee Terms of Reference and Delegated Functions** (ToRs) to define the functions delegated by the Board to each committee; the **Scheme of Delegation** to delegate power to individual officers within the NSS Management Structure; the **Standing Financial Instructions** to provide sound control of financial and related activities; the **Code of Conduct for Board Members** to set out the standards of conduct that Board members must adhere to.
 - 1.6 To meet the expectation in the BGG, and ensure the arrangements are subject to continuous review and development, the CGF will be reviewed annually and approved along with the Board and Committee meeting dates and committee membership for the year ahead, as per SOs. The Board and Committee meeting dates for relevant year will be appended to the CGF.

NATIONAL SERVICE SCOTLAND (NSS) - INTRODUCTION

- 2.1 NSS is a Non-Departmental Public Body (NDPB), accountable to Scottish Ministers. NSS was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974, with a mandate to provide national strategic support services and expert advice to Scotland's health sector whilst maximising health impacts and cost savings.
- 2.2 In 2013, the Public Services Reform (Functions of the Common Services Agency for the Scottish Health Service) (Scotland) Order 2013 extended the remit of NSS enabling the provision of services to other bodies, including local authorities and government departments.

- 2.3 The framework within which NSS operates is agreed with Scottish Government and set out within the Scottish Government – NHS NSS Framework Agreement, 2018 (currently being reviewed). It defines the key roles and responsibilities which underpin the relationship between NSS and the SG.
- 2.4 The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of NSS and its use of resources. Their responsibilities include:
- agreeing NSS's strategic aims and objectives and key targets as part of the corporate planning process,
 - agreeing the budget and the associated grant in aid requirement to be paid to NSS, and securing the necessary Parliamentary approval,
 - carrying out responsibilities specified in the founding legislation such as appointments to NSS's board, approving the terms and conditions of board members,
 - other matters such as approving NSS's chief executive and staff pay remit in line with SG Pay Policy and laying the accounts (together with the annual report) before the Scottish Parliament.
- 2.5 The roles and responsibilities of the Board and NSS officers are set out within the other sections of the CGF.



STANDING ORDERS

(NHS National Services Scotland (NSS) is the common name for the Common Services Agency (CSA) for the Scottish Health Service)

March 2023

STANDING ORDERS FOR THE PROCEEDINGS AND BUSINESS OF NHS NATIONAL SERVICES SCOTLAND NHS BOARD

1 General

- 1.1 National Services Scotland (NSS) was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974.
- 1.2 These Standing Orders for regulation and the conduct and proceedings of the Common Services Agency (more commonly known as NSS) Board are in line with The Common Services Agency (Membership and Procedure) regulations (1991 No.564 (S.49).
- 1.3 The procedures set out below also take into account the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3)., where appropriate, to better align with the Health Boards that it serves.
- 1.4 The NHS Scotland Health Boards and Special Health Boards - Blueprint for Good Governance Second Edition (issued through DL (2022) 38) has informed these Standing Orders. The Blueprint states Boards are primarily responsible for the delivery of the five primary functions of governance. These are described as:
 - 1.4.1 Setting the direction**, including clarifying priorities and defining change and transformational expectations.
 - 1.4.2 Holding the Executive Leadership Team to account** by seeking assurance that the organisation is being effectively managed and change is being successfully delivered.
 - 1.4.3 Managing risks** to the quality, delivery, and sustainability of services.
 - 1.4.4 Engaging with key stakeholders**, as and when appropriate.
 - 1.4.5 Influencing** the Board's and the wider organisational culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development>)
- 1.5 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension, and disqualification of members in line with the above regulations.
- 1.6 Any statutory provision, regulation, or direction by Scottish Ministers, shall have precedence if they conflict with these Standing Orders.
- 1.7 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly

states the extent of the proposed repeal, addition, or amendment. Standing Order 1.6 will not be capable of suspension.

- 1.8 The Board will annually review its Standing Orders.
- 1.9 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the NSS Code of Conduct for Board Members, and those include suspension and disqualification. The regulations set out at 1.2 also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

- 1.10 Members have a personal responsibility to comply with the NSS Code of Conduct for Board Members. The Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the Ethical Standards in Public Life (Scotland) Act 2000, as amended. Complaints of breaches of the NSS Code of Conduct for Board Members are investigated by the Ethical Standards Commissioner and adjudicated upon by the Standards Commission for Scotland.
- 1.11 The Board have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter is required to be registered.
- 1.12 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.13 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders and have regard to Section 5 of the NSS Code of Conduct (Declaration of Interests) for Board Members.
- 1.14 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration and not to participate in consideration of that item.

- 1.15 Members must comply with Section 3.13 - 3.21 of the NSS Code of Conduct for Board Members in relation to gifts and hospitality. Having done so there is no need to register any gifts and hospitality.
- 1.16 The Standard's Officer shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2 Chair

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

3 Vice-Chair

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

4 Calling and Notice of Board Meetings

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet not less than once

in every three months in any given year and will annually approve a forward schedule of meeting dates.

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

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding

Thursday. The three clear days would be Friday, Monday, and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.
- 4.9 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

5 Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g., videoconferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.
- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

- 5.5 The Board will be deemed to meet only when there are present, as per paragraph 5.3 and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.
- 5.6 In determining whether a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However, members still must declare other interests as required by Section 5 of the NSS Code of Conduct for Board Members.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises about the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.
- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether they are also members of the Board, e.g., stakeholder representatives.
- 5.11 When a quorum is not present, the only action that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

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

Business of the Meeting

The Agenda

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

Decision-Making

- 5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.16 The Chair will consider the discussion, and whether a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.
- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.

- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

Board Meeting in Private Session

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

Minutes

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

6 Matters Reserved for the Board

Introduction

- 6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.

6.2 The matters reserved to the Board are:

- 6.2.1 Corporate Governance Framework, including the Standing Orders, terms of reference of all its committees and appointment of committee members, Standing Financial Instructions, and the Scheme of Delegation.
- 6.2.2 Organisational Values.
- 6.2.3 The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
- 6.2.4 The Annual Delivery Plan (ADP) (following consideration by Scottish Government).
- 6.2.5 Corporate objectives or corporate plans which have been created to implement its agreed strategies.
- 6.2.6 Risk Management Policy.
- 6.2.7 Financial plan for the forthcoming year, and the opening revenue and capital budgets.
- 6.2.8 Annual accounts and report. (Note: This must be considered when the Board meets in private session. To respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period.)
- 6.2.9 Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual.
- 6.2.10 The Board shall approve the content, format, and frequency of performance reporting to the Board.
- 6.2.11 The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)
- 6.2.12 Arrangements for the approval of all policies.
- 6.2.13 The system for responding to any civil actions raised against the Board.
- 6.2.14 The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.

6.3 The Board itself may resolve that other items of business be presented to it for approval.

7 Delegation of Authority by the Board

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or

other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions ([NSS SFI's](#)) and the Scheme of Delegation.

- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

8 Execution of Documents

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

9 Committees

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development website will identify the committees which the Board must establish.
- 9.2 As of April 2022, the NSS Board has appointed the following Committees:
 - 9.2.1 NSS Audit & Risk Committee
 - 9.2.2 NSS Finance, Procurement & Performance Committee
 - 9.2.3 NSS Clinical Governance & Quality Improvement Committee
 - 9.2.4 NSS Remuneration & Succession Planning Committee

9.2.5 NSS Staff Governance Committee

- 9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed.
- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings. The general expectation is that committee meetings shall not be held in public, and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise.
- 9.6 Generally, Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However, if the committee elects to consider certain items as restricted business (in private), then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the (private) meeting papers for restricted business papers with others.
- 9.7 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time and shall call a meeting when requested to do so by the Board.
- 9.8 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills, and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of National Services Scotland NHS Board and is not to be counted when determining the committee's quorum.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



1. Remit

- 1.1 The National Services Scotland (NSS) Audit and Risk Committee (ARC) is established in accordance with Scottish Public Finance Manual, the Scottish Government Audit and Assurance Committee Handbook (3 April 2018), and is established as a committee of the NSS Board.
- 1.2 The purpose of the Committee is to provide independent advice and support the Chief Executive (as the Board's Accountable Officer) and the Board in to support their responsibilities of risk, control and governance and meeting their assurance needs.
- 1.3 The Committee has no executive authority and is not charged to make or endorse any decisions. The Committee may draw attention to strengths and weaknesses in internal control and make recommendations for how such weaknesses might be dealt with.
- 1.4 The Board authorises the committee to:
 - 1.4.1 Investigate any activity which is within its terms of reference, and in doing so, is authorised to seek any information it requires from any Board member or employee. All members and employees are directed to co-operate with any request made by the Committee.
 - 1.4.2 Obtain specialist ad-hoc advice at the expense of the organisation, subject to the budgets agreed by the Board and the Chief Executive.
 - 1.4.3 Co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge, and experience.

2. Membership

Membership

- 2.1 The Committee's membership shall consist of six non-executive members of the Board. The Board will appoint one of these members to be the chair of the committee. The Board must ensure that at least one non-executive member has recent and relevant financial experience. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.
- 2.2 A non-executive Board member who is also an employee of an NHS Board will not be regarded as independent. The Chair of the Board and any employee of the Board may not be a member of the Committee.
- 2.3 The Board may appoint independent external members if there is an insufficient number of non-executive Board members to form the Committee.

- 2.4 The Board will appoint independent external Committee members for a period of no more than three years but may re-appoint a member if the Board is satisfied with the member's contribution.

Attendees

- 2.5 The Director of Finance shall be the lead executive officer to the Committee. The Committee will normally invite the Chief Executive, Director of Finance, Chief Internal Auditor, and a representative of the external auditor to attend its meetings. The Committee may invite other officers to attend meetings to support the consideration and discussion of agreed items of business.

Private Meetings

- 2.6 The Committee may agree to meet in private to consider certain items of business without any non-members present. The Committee may also meet in private with the internal auditors and external auditors as required but this should happen at least once a year at a minimum.
- 2.7 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

- 4.1 The Committee shall meet as required but not less than four times a year.

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

5. Reporting Arrangements

- 5.1 The Committee Chair will provide a report to the Board and the Chief Executive after each meeting of the committee. A copy of the minutes may form the basis of this report. The Chief Internal Auditor and the external auditor should receive a copy of the report.

- 5.2 The ARC will provide an annual report to the Board to provide assurance as set out in the remit at 1. This report will be timed to support the preparation of the Governance Statement and the content of the report will reflect the requirements set out in paragraphs 5.5 and 5.6 of the Scottish Government Audit and Assurance Committee Handbook (3 April 2018).
- 5.3 The Committee will develop a work plan to discharge its remit and duties, which will determine the information that it requires at meetings and consequently the agenda for those meetings. The Committee will normally require at every meeting:
 - 5.3.1 A report on the risk register which summarises any changes.
 - 5.3.2 Progress reports from the internal and external auditors, including details of any work they have performed and the key issues that have emerged.
 - 5.3.3 Identified information governance risks.

6. Key Duties

- 6.1 The key duties of the committee are:
 - 6.1.1 Helping the Chief Executive and the Board identify and formulate their assurance needs regarding risk management, governance, and internal control.
 - 6.1.2 Reviewing and constructively challenging the assurances that have been provided as to whether their scope meets the needs of the Chief Executive and the Board.
 - 6.1.3 Reviewing the reliability and integrity of those assurances, i.e., considering whether they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence.
 - 6.1.4 Drawing attention to weaknesses in systems of risk management, governance, and internal control, and making suggestions as to how those weaknesses can be addressed.
 - 6.1.5 Commissioning further assurance work for areas that are not being subjected to sufficient review.
 - 6.1.6 Seeking assurance that management are remedying previously identified areas of weakness.
 - 6.1.7 Monitor and review NSS's performance and compliance in respect of Information Governance and Data Protection legislation and processes.
- 6.2 The Committee will specifically advise the Board and Chief Executive on:
 - 6.2.1 The strategic processes for risk, control, and governance and the governance statement, and how they support the achievement of the Board's strategies and objectives.
 - 6.2.2 The accounting policies, the annual accounts, and the Board's annual report. This includes the process for review of the accounts before they are submitted for audit, levels of error identified, and management's letter of representation to the external auditors.
 - 6.2.3 The planned activity and results of both internal and external audit.

- 6.2.4 The performance of the internal audit function.
 - 6.2.5 The adequacy of management response to issues identified by audit activity, including external audit's management letter or report.
 - 6.2.6 The effectiveness of the internal control environment.
 - 6.2.7 Assurances relating to the corporate governance requirements for the Board.
 - 6.2.8 The appointment of the Chief Internal Auditor.
 - 6.2.9 The purchase of non-audit services from contractors who provide audit services.
 - 6.2.10 The Board's policies, procedures, and processes where they relate to risk management, governance, and internal control. Examples are the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation, risk management policy, ethical conduct, prevention of bribery and corruption, fraud management policy and action-plan, and Whistleblowing.
 - 6.2.11 The skills required for committee effectiveness, to inform the selection of members of the committee.
 - 6.2.12 Review annually the nature of and expenditure incurred by each Directorate on the employment of Management Consultants in the preceding year.
 - 6.2.13 Review annually all detailing all losses written off and special payments made including ex-gratia payments made to staff in line with Section 18 of NSS SFIs – Losses and Special Payments
 - 6.2.14 Review annually NSS's Fraud and Other Illegal Acts Register
 - 6.2.15 Review reports presented on instances of banking accounts being overdrawn
- 6.3 In addition, the committee also has specific duties in relation to information governance:
- 6.3.1 Consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance. This duty covers the following components of information governance: Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management.
 - 6.3.2 Review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate progress is being made to improve the quality of information governance across NSS.
 - 6.3.3 Satisfy itself that each NSS Directorate has processes in place to monitor and report information governance incidents, risks, and complaints.
 - 6.3.4 Review at each meeting identified information governance risks, issues, and complaints, and satisfy itself that appropriate action has been taken, lessons learnt, and improvements implemented.
 - 6.3.5 Review annually the risk appetite of NSS in relation to information governance.

7. Supplementary Information for Boards and Committee Members

- 7.1 The Scottish Government Audit and Assurance Committee Handbook (3 April 2018) includes further advice on audit committees as follows:
- Annex A: The role of the Chair: Good Practice
 - Annex B: Committee support: good practice
 - Annex C: Model Letter of Appointment
 - Annex D: Model Terms of Reference
 - Annex E: Example Annual Core Work Programme
 - Annex F: Key Lines of Enquiry
 - Annex G: Competency Framework
 - Annex H: Self-Assessment Checklist
- 7.2 The NHS Scotland Board Development website also has a wealth of material on NHS Scotland which is relevant to governance, risk management, and internal control.
- <https://learn.nes.nhs.scot/17367/board-development>

CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE TERMS OF REFERENCE



1. Remit

- 1.1 The National Services Scotland (NSS) Clinical Governance and Quality Improvement Committee (CGQIC) is established in accordance with the guidance given in MEL (1998) 75, reinforced by MEL (2000) 29, and is established as a committee of the NSS Board.
- 1.2 The purpose of the Committee is to provide assurance to the NSS Board that the clinical activities of NSS are appropriately governed and monitored as to their safety, quality and effectiveness and that Quality Improvement and Realistic Medicine are at the core of its work.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board, including the Board Chair. The Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Medical Director and Director of Nursing shall be the lead executive officers to the Committee and will arrange for such other officers to attend as required by the business of the committee.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

- 4.1 The Committee shall meet as required but not less than four times a year.

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or

unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The CGQIC is to report activities and progress annually to the NSS Board as described in these terms of reference. The CGQIC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.
- 5.2 The CGQIC will produce an Annual Report of the Committee's activities to provide assurance as set out in remit at 1 above for inclusion in NSS Annual Report and Accounts.

6. Key Duties

- 6.1 The CGQIC will provide assurance to the Board that:
 - 6.1.1 Process and reporting arrangements are in place, as required, in order to provide assurance that the clinical and related activities under NSS direction and control are at all times appropriately governed and monitored as to their safety, quality and effectiveness.
 - 6.1.2 All aspects of Quality Management are reflected including Quality Planning, Quality Improvement and Quality Control and the application of the principles of Realistic Medicine.
 - 6.1.3 Clinical activity is challenged from the perspectives of equity, inequality/ equality, diversity, and value (expressed as triple value).
 - 6.1.4 Services compliance with clinical regulatory requirements is in place.
- 6.2 The GGQIC will provide advice, as required, to the Board on the clinical impacts of any new service developments proposed for adoption by NSS.
- 6.3 In order to assure themselves, the CGQIC will review and scrutinise reports on:
 - 6.3.1 Clinical adverse events, Duty of Candour events, clinical risks and complaints (related to safety of services or clinical staff fitness to

practice) including their identification, causes, management, learning identified and service improvement and implementation.

- 6.3.2 Blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.
- 6.3.3 Healthcare Acquired Infection in NSS as per required national policy on HAI, using the HAI reporting template.
- 6.3.4 Major NSS programmes in support of clinical services.
- 6.3.5 Activity relating to national clinical governance functions delivered by NSS, e.g., screening, and dental.
- 6.3.6 Annual reports on:
 - Infection Prevention and Control
 - Duty of Candour
 - Research, Development, and Innovation
 - Clinical Professional Appraisal and Revalidation
 - Patient Group Directions Audit
 - Relevant Intellectual Property activity facilitated by SNBTS.

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE - TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Finance, Procurement and Performance Committee (FPPC) is established, as a committee of the Board
- 1.2 The purpose of the Committee is to provide an independent and objective view and keep under review the financial position of NSS, procurement and sustainability activity and performance management, and provide assurance to the NSS Board that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of all resources, and that the arrangements are working effectively.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board, including the Board Chair. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Director of Finance shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.
- 2.3 The Chief Executive and Directors of National Procurement (NP) and Strategy, Performance, and Service Transformation (SPST) will also be in attendance.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

- 4.1 The Committee shall meet as required but not less than four times a year.

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The FPPC is to report activities and progress annually to the NSS Board as described in these terms of reference. The FPPC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

6 Key Duties

- 6.1 The key duties of the Committee are:

- 6.1.1 To scrutinise and recommend to the Board for approval:

6.1.1a Annual 3-year or 5-year (as required) Delivery Plan and Financial Plans prepared consistent with statutory financial responsibilities.

6.1.1b Draft NSS Annual Delivery Plan (ADP) for submission to the Scottish Government.

6.1.1c NSS Property and Asset Management Strategy and action plan.

6.1.1d NSS Climate Sustainability Strategy and action plan.

6.1.1e NSS Standing Financial Instructions, Standing Orders and Scheme of Delegation.

- 6.1.2 To approve:

6.1.2a At Outline Business Case or Full Business Case stage property transactions undertaken in accordance with the NHS Scotland Property Transactions Handbook.

6.1.2b NHS Scotland Procurement Strategy, Workplan and Annual Report.

6.1.2c NSS Procurement Strategy, Workplan and Annual Report.

6.1.2d To approve any procurements which require the authority of the Board under NSS Standing Financial Instructions.

6.1.2f Budget limits and set business performance targets for all Directorates except in respect of earmarked funds allocated for specific purposes by Scottish Government.

6.1.3 In order to assure themselves, the FPPC will review and scrutinise reports on:

6.1.3a Financial and operational performance against plans and delivery against ADP targets, and to consider the appropriateness and effectiveness of current and planned management actions.

6.1.3b Any occurrences where the Standing Financial Instructions have not been followed and reports specifically required by the SFIs (see appendix 1)

6.1.3c The performance of programmes delivered by NSS on behalf of NHS Scotland.

6.1.3d Delivery against the NSS Financial Sustainability Plan.

6.1.3e The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach.

6.1.3f the content of financial reporting and information presented to the Board.

6.1.4 To review the financial aspects and make recommendations for any Business Cases beyond the scope of delegated financial authority before it is presented to the Scottish Government for approval. All business cases shall comply with the Scottish Capital Investment Manual.

Appendix 1 – Reports specifically required by SFIs.

SFI Reference	Requirement	Frequency	Lead officer as per Scheme of Delegation
6.07	Family Health Services Payments – payments and performance	Regular Reported to ARC via Service Audit	Director of Practitioner and Counter Fraud Services
6.07	Family Health Services – financial governance and control	Regular Reported to ARC via Service Audit	Director of Finance
6.12	Exceptions to procurement guidelines.	Quarterly	Director of Finance
6.28	Advance payment (non-contractual) for goods/services.	Annual	Director of Finance
8.04	Procurement staff/CLO advice not accepted	Quarterly	Director of National Procurement
8.12/9.14	Sole Source Justification report.	Annual	Director of Finance
9.13	Supplier management activity.	Annual	Director of National Procurement

STAFF GOVERNANCE COMMITTEE - TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Staff Governance Committee (SGC) is established in accordance with the guidance given in the Staff Governance Standard 4th Edition published by the Scottish Government in June 2012 and is established as a committee of the NSS Board.
- 1.2 The purpose of the committee is to support and maintain a culture within NSS where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone and is built upon partnership and collaboration. It will ensure that robust arrangements to implement the Staff Governance Standard are in place and monitored.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board (including the Board Chair and Employee Director) and four trade union representatives. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Director of Human Resources shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present and one trade union representative present.

4. Meetings

Frequency of Meetings

- 4.1 The Committee shall meet as required but not less than four times a year.

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The SGC is to report activities and progress annually to the NSS Board as described in these terms of reference. The SGC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.
- 5.2 The committee will submit an annual report to give the Board assurance around the detail of staff governance arrangements and monitoring process and to assure the Board that the SGC's aims are being met.
- 5.3 The NSS Partnership Forum has a key role in the delivery and implementation of the Staff Governance Standards through the Staff Governance Action Plan. Regular reports from the Partnership Forum will be received to SGC to provide the necessary evidence and assurance.

6. Key Duties

- 6.1 The key duties of the Committee are to:
 - 6.1.1 Ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.
 - 6.1.2 Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.
 - 6.1.3 Review evidence of attainment and maintenance of the Staff Governance Standard through the Great Place to Work Plan (Staff Governance Action Plan). Where there is evidence of short falls the Staff Governance Committee will ensure that causes are identified, and remedial action recommended.

- 6.1.4 Oversee the development and monitoring of all organisational policy related to workforce ensuring compliance with National Workforce Policies.
- 6.1.5 Approve any policy amendment, funding, or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.
- 6.1.6 Agree detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.
- 6.1.7 Provide staff governance information for the Statement of Internal Control.
- 6.1.8 Review quarterly staff risks contained in the NSS Corporate Risk Register and set out in the Integrated Risk Management Approach, identifying, and reporting on specific areas of concern.
- 6.1.9 Review quarterly the NSS complaints report in the context of staff risk.
- 6.1.10 Oversee the NSS values programme, ensuring that the values are embedded within NSS structures and processes.
- 6.1.11 Review Quarterly and Annual Whistleblowing Reports.
- 6.1.12 Provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993) 114 (amended).

REMUNERATION AND SUCCESSION PLANNING COMMITTEE TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Remuneration and Succession Planning Committee (RSPC) is established, in accordance with MEL (1993)114 and subsequent amendments, and is established, through its Standing Orders, as a committee of the NSS Board
- 1.2 The purpose of the committee is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board. The Committee will give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.
- 1.3 The Committee is also, through the Staff Governance Committee, required to provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114 so that the overarching staff governance responsibilities can be discharged.

2. Membership

Membership

- 2.1 The Committee shall comprise the Chair of the NSS Board and at least three Non-Executive Members of the NSS Board, of which one must be the Employee Director, and one of whom shall act as Chair.

Attendees

- 2.2 The Director of Human Resources shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee. The Chief Executive will be in attendance.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

- 4.1 The Committee shall meet as required but not less than three times a year.

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 A report on the proceedings of the RSPC Committee shall be drawn up by or on behalf of the Standards Officer and submitted for information to the first ordinary meeting of the Staff Governance Committee held after the meeting of the Committee and to the NSS Board.
- 5.2 The Committee is to submit an annual report to the NSS Board and the NSS Staff Governance Committee to give assurance around the detail of the remuneration and succession planning arrangements and monitoring process and that the Committee's aims are being met.
- 5.3 The Committee must submit the approved Consultants' Discretionary Points to the NSS Board annually.
- 5.4 The Committee must submit the remuneration arrangements for members of the Executive and Senior Management Cohorts to the External Auditor for scrutiny, in accordance with normal audit requirements.

6. Key Duties

- 6.1 The key duties of the committee are:
- 6.1.1 Conduct a regular review of the NSS Board's policy for the remuneration and performance management of members of the Executive and Senior Management Cohorts in the light of any guidance issued by the Scottish Government and the National Performance Management Committee remaining in force. A direction order or specific Scottish Government instruction will be required for any payments which fall out with the terms of the guidance.
- 6.1.2 Agree all the terms and conditions of employment of members of the Executive Cohort, including job description, basic pay, performance pay and bonuses (individual and team) and benefits (including pension, removal arrangements & cars), with reference to Scottish Government guidance, Ministerial directions, and protocols.

- 6.1.3 Agree objectives for members of the Executive Cohort in the light of any guidance issued by the Scottish Government and the National Performance Management Committee remaining in force and ensure that their performance and potential is rigorously assessed throughout the year against these objectives; objectives may, by agreement with the individual being assessed, be revised in the year to reflect changes in circumstances.
 - 6.1.4 Ensure that effective arrangements are in place for carrying out 6.1.2 and 6.1.3 above in respect of members of the Senior Management Cohort.
 - 6.1.5 To review and approve annually the Discretionary Points awarded by the NSS Committee on Consultants' Discretionary Points, for reporting to the NSS Board and to provide confirmation of the process followed in the allocation of the points.
 - 6.1.6 To give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.
- 6.2 As set out in the Scheme of Delegation, the Chair of the Committee, on behalf of the NSS RSPC, will agree appointments, terminations, and early retirement settlements in line with the Protocol attached at appendix 1.

**Remuneration and succession planning committee responsibilities
Protocol for managing appointment, performance, and termination of staff.**

- 1.1 The Chair of the Committee will approve all new or additional jobs created for AfC band 8d, 9 and Executive Grades. In addition, they will agree all appointments where the lower half of the range, will not secure the preferred candidate.
- 1.2 When making appointments, consideration should be given to any agreed position between the National Boards on recruitment.
- 1.3 A report on decisions will be submitted to the next meeting of the Committee. The Committee will also receive monthly reports on new posts at AfC band 8c, 8d, 9 and Executive Grades.
- 1.4 Director of Human Resources to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.
- 1.5 Director of Human Resources to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.
- 1.6 The Chair of the Committee will approve all termination settlements which exceed £75,000. The Chief Executive will be responsible for authorising settlements where the total cost is less than £75,000. An annual report of all such instances will be presented to the Remuneration Committee by the Chief Executive.
- 1.7 Chair of the NSS Board to undertake the performance appraisal of Chief Executive.
- 1.8 Chair of the NSS Board to review the Chief Executive's performance assessment of other members of the Executive Cohort.
- 1.9 Committee to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based, and fully documented in respect of the Chief Executive and other members of the Executive Cohort prior to individuals being informed of the performance appraisal ratings.
- 1.10 Director of Finance to submit a yearly report presenting all ex-gratia payments made to staff in line with Section 18 of NSS SFIs – Losses and Special Payments.

**NHS NATIONAL SERVICES
SCOTLAND
SCHEME OF DELEGATION**

SCHEME OF DELEGATION

Section		Page
1	Introduction	3
2	Matters Reserved to the Board	4
3	Matters Delegated to Officers	5
4	Scheme of Delegation arising from Board Standing Orders	7
5	Scheme of Delegation arising from Board Standing Financial Instructions	8
6	Scheme of Delegation arising from other areas of Corporate Governance	17
7	Appendix 1 - Director responsibilities	22

1. INTRODUCTION

- 1.1 National Services Scotland (NSS) Board has developed and approved this Scheme of Delegation.
- 1.2 This Scheme of Delegation should be implemented together with the requirements of the Board's Standing Financial Instructions and all other policies and procedures.
- 1.3 Any reference to a statutory or other provision shall be interpreted as a reference amended by any subsequent legislation.
- 1.4 This Scheme of Delegation delegates power to individual officers within the management structure. The holders of those positions can further delegate to other employees. Delegation must be made in writing. Nevertheless, the holders of the positions identified in the Scheme of Delegation remain personally accountable, and the actions of the individuals to whom they delegate.
- 1.5 If a position identified in the Scheme of Delegation is vacant, or an officer with delegated authority is not available, then the matter should be referred up to the next level of authority as described in the relevant section of this Scheme of Delegation.
- 1.6 The Board has delegated authority to the Standard's Officer to approve amendments relating to job titles in this Scheme of Delegation (and wider Corporate Governance Framework), so as to keep it up to date with any changes to the organisation's management structure.

2. MATTERS RESERVED TO THE BOARD

- 2.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.
- 2.2 The following matters shall be reserved for agreement by the Board:
- a) Corporate Governance Framework including the Standing Orders, terms of reference of all its Committees and appointment of Committee members, Standing Financial Instructions, and the Scheme of Delegation
 - b) Organisational Values
 - c) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval
 - d) The Annual Delivery Plan for submission to the Scottish Government for its approval
 - e) Corporate objectives or corporate plans which have been created to implement its agreed strategies
 - f) Risk Management Policy
 - g) Financial plan for the forthcoming year, and the opening revenue and capital budgets
 - h) Annual accounts and report
 - i) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual
 - j) The Board shall approve the content, format, and frequency of performance reporting to the Board
 - k) The appointment of the Board's chief internal auditor
 - l) Arrangements for the approval of all policies
 - m) The system for responding to any civil actions raised against the Board
 - n) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence
- 2.3 The Board itself may resolve that other items of business be presented to it for approval.

3. MATTERS DELEGATED TO OFFICERS

3.1 The Chief Executive

The Chief Executive, as Accountable Officer, can exercise delegated authority across all NSS services and functions.

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

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

3.2 The Executive Management Team (EMT)

The Executive Management Team (EMT), led by the Chief Executive is the senior management decision making body for NSS.

The EMT is appointed by the Board and given authority by the Board to act in accordance with its remit.

The EMT has the primary responsibility for the implementation of change and the day-to-day management of operations.

The EMT manages the business of the Board by reviewing and endorsing Board-wide strategies, policies and actions to ensure a corporate position is achieved prior to submission to the NSS Board and, where appropriate, its Standing Committees for consideration and approval.

3.3 Appointed Officers

There are a number of roles that NSS must appoint due to legislative (or other) requirements that are referenced within this Scheme of Delegation. A summary table of these Officers has been included below for reference.

Role	Area of Responsibility	Delegated to
Accountable Officer	To be the principal adviser to the Board. To provide operational leadership to staff working for NSS and to ensure that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.	Chief Executive

NHS National Services Scotland – Scheme of Delegation

Standards Officer	To support and promote a high standard of conduct of Board Members.	Associate Director of Governance and Board Services
Senior Information Risk Officer	To monitor and review the organisation's compliance with applicable information security legislation, regulation, and standards	Director, Digital & Security
Data Protection Officer	To monitor and review the organisation's compliance with applicable data protection legislation, regulation, and standards.	Data Protection Officer
Fraud Liaison Officer	To act as the first point of contact between Counter Fraud Services and NSS.	Associate Director (Finance Operations)
Caldicott Guardian	To ensure NSS satisfy the highest practical standards for handling patient identifiable information.	NSS Medical Director
Whistleblowing Executive Lead	To ensure Whistleblowing Standards are functioning across the organisation.	Director of Nursing

4. SCHEME OF DELEGATION ARISING FROM BOARD STANDING ORDERS

Reference in Standing Orders	Area of Responsibility	Committee Approval Required	Delegated to
SO 1.11	Maintenance of Register of Board Members interests		Standards Officer
SO 1.8 & 9.2	Preparation of Update for the Corporate Governance Framework	Board	Standards Officer
SO 7.3	Execution of documents on behalf of Scottish Ministers relating to property transactions	Finance, Procurement and Performance Committee	Chief Executive or Director of Finance (All signatures to be in accordance with the Property Transactions Manual)

5. SCHEME OF DELEGATION ARISING FROM THE STANDING FINANCIAL INSTRUCTIONS

A scheme of delegation operates for various Standing Financial Instructions (SFIs), each of which is described in the tables that follow the list below. The list below therefore includes a cross reference to the relevant section of the Standing Financial Instructions. The Scheme of Delegation should be read in conjunction with the SFIs.

Reference in SFIs	Area of Responsibility	Committee Approval Required	Delegated to
Section 1: General	SFIs are in place, up to date and observed	Finance, Procurement and Performance Committee and Board	Director of Finance
	Reporting SFI adverse events (breaches)	Finance, Procurement and Performance Committee and then on to relevant Committee.	Director of Finance
Section 4: Suspected Theft, Fraud and Other Irregularities	Notification to appropriate agency of discovered fraud/criminal offences	Audit and Risk Committee	Fraud Liaison Officer Approved Alternate Officer(s): Chief Executive
Section 5: Audit and Financial Performance Arrangements	Provision of Internal Audit Service as detailed in SFI 5.03	Audit and Risk Committee	Director Strategy, Performance and Service Transformation. Approved Alternate Officer(s): Director of Finance
	Provision of Service Audit as detailed in SFI 5.08	Audit and Risk Committee	Director of Finance

NHS National Services Scotland – Scheme of Delegation

			<p>Approved Alternate Officer(s):</p> <p>Director of Practitioner and Counter Fraud</p> <p>Director of Digital and Security</p> <p>Associate Director (Finance Operations)</p>
	Appointment of External Auditor	Scottish Ministers	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Associate Director (Finance Operations)</p>
Section 6: Financial Planning and Budget Control	Prepare and submit financial plans in accordance with the requirements of Scottish Government (Revenue and Capital)	Finance, Procurement and Performance Committee and Board	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p> <p>Associate Director (Finance Operations)</p>
	Preparation and Submission of Budgets		<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p>

NHS National Services Scotland – Scheme of Delegation

			Associate Director (Finance Operations)
	Devise, introduce and maintain systems of financial control		Director of Finance Approved Alternate Officer(s): Deputy Director of Finance Associate Director (Finance Operations)
	Delegation of Budgetary Control		Chief Executive Approved Alternate Officer(s): Director of Finance
	Authority to use non-recurring budget to fund recurring expenditure		Chief Executive Approved Alternate Officer(s): Director of Finance
	Approve expenditure not covered by an approved budget	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	NSD Virement - allocation of revenue funds to national services		Director of National Specialist and Screening Division.
	Family Health Services – payments and performance	Finance, Procurement and Performance Committee	Director of Practitioner and Counter Fraud Services

NHS National Services Scotland – Scheme of Delegation

			<p>Approved Alternate Officer(s):</p> <p>Director of Finance</p>
	Family Health Services – financial governance and control	Finance, Procurement and Performance Committee	Director of Finance
Section 7: Staff Appointments, Remuneration and related matters	Staff employment contracts and appointments as set out in SFI 7.02	Remuneration and Succession Planning Committee and Board	Director of HR and Workforce Development
	Approval of a termination settlement under £75,000 and submission of annual report	Remuneration and Succession Planning Committee over £75,000	Chief Executive up to £75,000
	Ex gratia payments and annual reports.	Board, delegated to Finance, Procurement and Performance Committee, over £1m and Remuneration and Succession Planning Committee	<p>Chief Executive up to £1m</p> <p>Director of Finance up to £500,000</p>
Section 8: Non-Pay Expenditure	Procurement Strategy and professional advice.	Finance, Procurement and Performance Committee	<p>Director of National Procurement</p> <p>Approved Alternate Officer(s):</p> <p>National Procurement Operations Manager</p>
Section 9: Tenders, Quotations and Contracting Requirements	Maintenance of systems for the invitation, receipt, safe-keeping and		Director of National Procurement

NHS National Services Scotland – Scheme of Delegation

	selection of tenders and quotations		
	Approval of tenders for goods, services or works outwith the Directorate budget or business plan.	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	Annual Report – Sole source justification	Finance, Procurement and Performance Committee	Chief Executive or Director of Finance Approved Alternate Officer(s): Director of National Procurement
	Awarding Contracts as per SFI 9.03 and contract extensions.	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000 Director up to £100,000
	Procurement Strategy and professional advice.	Finance, Procurement and Performance Committee (Board when Committee assess this is required due to reputational risk)	Director of National Procurement Approved Alternate Officer(s): National Procurement Operations Manager
	Contract/Framework agreements on behalf of Scottish Ministers NHSS or combinations of public bodies	Contracts Approvals Board	Chief Executive more than £5m+ (following the PCF Approval Board) Up to £5m Director of Finance, Director

NHS National Services Scotland – Scheme of Delegation

			<p>of Practitioner and Counter Fraud Services, Director of National Procurement and for IT approvals the Director of Digital and Security (following the PCF Approval Board)</p> <p>Up to £2m</p> <p>Director of Practitioner and Counter Fraud Services, Director of National Procurement and for IT approvals the Director of Digital and Security (following the PCF Approval Board)</p>
	To act as a proxy for NHS Scotland Health Board Capital Expenditure Procurements		<p>Director of National Procurement Above £500,000</p> <p>Head of Strategic Sourcing Up to £500,000</p> <p>Relevant Category Manager Less than £100,000</p>
	Maintain a public register for all contracts in excess of £50,000		Director of National Procurement
Section 10: Tenders, Quotations and Contracting Requirements for Research	Approval of research services outwith Directorate budget		Director of Finance
	Approval and variation of	Board, delegated to Finance,	Chief Executive up to £1m

NHS National Services Scotland – Scheme of Delegation

	research contract award (including collaborative agreements)	Procurement and Performance Committee, over £1m, following approval of CE.	Director of Finance up to £500,000 Director up to £100,000
	Notification of research contract with an estimated expenditure of more than £1m (in total)	Finance, Procurement and Performance Committee	Director of Finance
Section 11: Appointment of advisers and non-permanent staff	Departure from contract of employment and fee aligned to an established job description		Director of HR and Workforce Development and Director of Finance.
Section 12: Income Generation and Intellectual Property	Entering Income Agreements that does not meet authority criteria set out in SFI 12.02		Director of Finance and/or Chief Executive
	Determination of charges outwith directorate income generation strategy (or externally governed)		Director of Finance and/or Chief Executive
	Approval of proceeding with participation or investment in any legal entity (e.g. joint venture)		Director of Finance
Section 13: Capital Investment, Private Financing, Fixed Asset Registers	Approval of Capital of expenditure	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	Implementation of Capital Investment Procedures		Director of Finance
	Approve Asset Control Procedures		Director of Finance
	Approve arrangements of receipts		Director of Finance

NHS National Services Scotland – Scheme of Delegation

Section 14: Banking arrangements	Approval of subsidiary bank accounts and banking procedures including corporate purchasing cards		Director of Finance
Section 15: Stocks and Stores	Approve the management, control and safety of stocks		Director of Finance
	Purchase replenishment stock and issue stock		Director of National Procurement Director of Scottish National Blood Transfusion Service Director of Digital and Security
	Purchase replenishment stock and issue stock from the Scottish Government Health Resilience Unit Pandemic Stock for the following sectors: Healthcare Sector, Acute Hospital Sector, Independent Sector, GP, Scottish Ambulance Service, Social Care Sector		Director of National Procurement
Section 16: Annual Report and Accounts	Preparation of Annual Report and Accounts	Audit and Risk Committee Board	Director of Finance Approved Alternate Officer(s): Associate Director (Finance Operations)
	Preparation of the governance statement		Director of Finance

NHS National Services Scotland – Scheme of Delegation

			<p>Approved Alternate Officer(s):</p> <p>Standards Officer</p>
Section 17: Information Governance	Implementation of financial governance systems.		<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p>
	Information governance, freedom of information and data protection	Audit and Risk Committee	<p>Director of Digital and Security</p> <p>Approved Alternate Officer(s):</p> <p>Head of Information & Cyber Security</p>
Section 18: Losses and Special Payments	Writing off of losses	Board, delegated to Finance, Procurement and Performance Committee, over £1m	<p>Chief Executive up to £1m</p> <p>Director of Finance up to £500,000</p> <p>Director All expenditure contained in Annual Financial Plan in accordance with SFIs</p>
	Maintenance of the Losses and Special Payments Register and associated reported requirements	Audit and Risk Committee	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Associate Director (Finance Operations)</p>

6. SCHEME OF DELEGATION ARISING FROM OTHER AREAS OF CORPORATE GOVERNANCE

Clinical Governance – Table 6.1

Staff Governance – Table 6.2

Risk Management and Emergency Planning – Table 6.3

Performance Management – Table 6.4

Information Governance – Table 6.5

CLINICAL GOVERNANCE – TABLE 6.1

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved Alternate Officer(s)
6.1.1	Clinical Governance (includes Strategy/Framework; clinical adverse events; Duty of Candour; clinical risk; clinically related complaints)	NSS Clinical Governance and Quality Improvement Committee	Medical Director	Director of Nursing
6.1.2	Clinical Quality Improvement	NSS Clinical Governance and Quality Improvement Committee	Director of Nursing	NSS Medical Director
6.1.3	Compliance with clinical regulatory requirements (includes clinical professional regulations, medical device regulations, IR(ME)R)	NSS Clinical Governance and Quality Improvement Committee	NSS Medical Director	Director of Nursing
6.1.4	Research, Development and Innovation (including research governance, Intellectual Property)	NSS Clinical Governance and Quality Improvement Committee	NSS Medical Director	Director of Healthcare Science
6.1.5	Blood and Tissue Safety	NSS Clinical Governance and Quality Improvement Committee	Director, Scottish National Blood Transfusion Service (SNBTS)	Medical Director, SNBTS
6.1.6	Healthcare Associated Infection	NSS Clinical Governance and Quality Improvement Committee	Director of Nursing	NSS Medical Director

STAFF GOVERNANCE – TABLE 6.2

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.2.1	Staff Governance Framework and compliance	Staff Governance Committee	Director of HR and Workforce Development	
6.2.2	Workforce Strategy	Staff Governance Committee	Director of HR and Workforce Development	
6.2.3	Equality and Diversity	Staff Governance Committee	Director of HR and Workforce Development	Associate Director, HR and Workforce Development
6.2.4	Whistleblowing	NSS Staff Governance Committee	Director of Nursing	Director Strategy, Performance and Service Transformation

RISK MANAGEMENT AND EMERGENCY PLANNING – TABLE 6.3

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.3.1	Risk Management – including risk framework, governance, risk appetite and internal controls	Audit and Risk Committee	Director Strategy, Performance and Service Transformation	Head of Planning & Performance
6.3.2	Statutory and Regulatory Compliance	Audit and Risk Committee	Director Strategy, Performance and Service Transformation	Associate Director Strategy, Performance and Communications
6.3.3	Business Continuity and Emergency Planning	Finance, Procurement and Performance Committee	Director Strategy, Performance and Service Transformation	Head of Planning & Performance
6.3.5	Health and Safety	Staff Governance Committee	Director of HR and Workforce Development	Head of Healthy Working Lives
6.3.6	Fire Safety	Staff Governance Committee	Director of NHS Scotland Assure	Head of Estates & Facilities

PERFORMANCE MANAGEMENT – TABLE 6.4

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.4.1	Approval of Performance Management Framework and oversight of the system.	Finance Planning and Performance Committee	Director Strategy, Performance and Service Transformation	Associate Director Strategy, Performance and Communications

INFORMATION GOVERNANCE – TABLE 6.5

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.5.1	Oversight of Information Governance, Strategy and Systems	Audit and Risk Committee	Director Digital and Security	Head of Information & Cyber Security
6.5.2	ATOS (non eHealth) Services		Director of Digital and Security	Director of Cloud Engineering & Operations
6.5.3	eHealth Services		Director of Digital and Security	Director of Cloud Engineering & Operations
6.5.4	Data Protection Act	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.5	Freedom of Information Policy	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.6	Records Management Plan	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.7	Caldicott Guardian	Audit and Risk Committee	Medical Director	NSS Deputy Caldicott Guardian
6.5.8	Oversight of financial data governance	Audit and Risk Committee	Director of Finance	Deputy Director of Finance

APPENDIX 1 - DIRECTOR RESPONSIBILITIES

HR Directorate (Human Resources and Workforce Development)

Jacqui Jones – Director of Human Resources and Workforce Development

- Human Resources
- Workforce Development
- Learning & Development
- Healthy Working Lives
- Occupational Health

Finance Directorate

Carolyn Low – Director of Finance

- Payroll
- Finance

Strategy, Performance and Service Transformation Directorate

Lee Neary – Director of Strategy, Performance and Service Transformation

- Corporate Governance
- Executive Support
- Communications
- Planning
- Resilience
- Programme Management Services
- National Contact Centre

NHS Assure Directorate

Julie Critchley – Director of NHS Assure

- Engineering
- Research and Intelligence
- Property and Capital Planning
- Decontamination
- Sustainability
- ARHAI, Oxygen Therapy
- Mammography
- FM Services

National Procurement Directorate

Gordon Beattie – Director of National Procurement

- NP centre of expertise service for NHS Scotland
- National Commercial and Logistics Services
- NHS Scotland National Distribution Service, three warehouses stock over 9,000 product lines
- National frameworks inc. medicines, medical and general products, IT, workforce, community services, innovation and catering
- Procurement and Commercial services to NSS

National Specialist and Screening Directorate

Susan Buchanan – Director of National Specialist & Screening Division

- Screening programmes including breast screening etc.
- Specialist networks

Practitioner & Counter Fraud Services Directorate

Martin Bell – Director of Practitioner & Counter Fraud Services

- Practitioner Services
- Scottish Dental Practice Board (SDPB)
- Counter Fraud Services (CFS)
- Scottish Infected Blood Support Scheme (SIBSS)
- Mesh Compensation Scheme (Mesh)
- Clinical Negligence and Other Risks Indemnity Scheme (CNORIS).

Digital and Security Directorate

Steven Flockhart – Director of Digital and Security

- National Digital Programmes
- Service Management & Operations
- NSS Application Development & Support
- SWAN
- Microsoft 365

Central Legal Office

Jennifer Thompson – Legal Adviser to NHS Scotland

- Legal Services

Scottish National Blood Transfusion Services (SNBTS) Directorate

Marc Turner – Director of Scottish National Blood Transfusion Service

- Donor & Transport Services
- Tissues Cells and Advanced Therapeutics – Good Manufacturing Practice
- Tissues Cells and Advanced Therapeutics Development
- Manufacturing
- Quality & Regulatory Compliance
- Patient Services
- Planning, Performance & Business Support

Clinical Directorate

Lorna Ramsay – Medical Director

- Caldicott Guardian
- Clinical Governance
- Compliance with clinical regulatory requirements
- Research, Development and Innovation

Clinical Directorate

Jacqui Reilly – Director of Nursing

- Clinical Quality Improvement
- Healthcare Associated Infection
- Whistleblowing



Standing Financial Instructions

April 2023 – March 2024

Contents

Section 1: Introduction	7
General	7
1.01 Background	7
1.02 The purpose of the scheme of control is:	7
1.02 Responsibilities & Application of the SFIs	8
1.04 Compliance.....	8
1.05 Variation and Revocation	8
1.06 Terminology.....	9
Section 2: Responsibilities of Chief Executive, Director of Finance, Directors and Employees	11
2.01 Responsibilities of Chief Executive as Accountable Officer	11
2.01 (a) General Responsibilities	11
2.01 (b) Specific Responsibilities	11
2.01 (c) Regularity and Propriety of Expenditure.....	12
2.01 (d) Advice to the Board.....	13
2.01 (e) Absence of Accountable Officer	13
2.02 Responsibilities of the Director of Finance	13
2.03 Responsibilities of all Directors and Employees.....	14
Section 3: Code of Conduct	15
3.01 Introduction.....	15
3.02 General Principles	15
3.03 Activities involving the use of official information or experience	15
3.04 Outside Occupation.....	15
3.05 Confidentiality	16
3.06 Contracts and use of services of NSS contractors.....	16
3.07 Acceptance of Gifts	17
3.08 Acceptance of Hospitality	17
3.09 Procedure for completing and recording forms	17
3.10 Reporting	17
3.11 Use of official Accommodation, Equipment or Vehicles.....	18
3.12 Bribery	18
Section 4: Suspected Theft, Fraud and Other Irregularities	19
4.01 Introduction.....	19
4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities	19
4.03 Remedial Action	20

4.04	Reporting to SGHSC	20
4.05	Responses to Press Enquiries	21
4.06	National Fraud Initiative	21
Section 5: Audit and Financial Performance Arrangements ...		22
5.01	Audit and Risk Committee	22
5.02	Finance, Procurement and Performance Committee	22
5.03	Director Strategy, Performance and Service Transformation	22
5.04	Irregularities	23
5.05	Audit Reporting	23
5.06	Internal Audit	23
5.07	External Audit	24
5.08	Service Audit	24
5.09	Risk Management	24
Section 6: Financial Planning and Budget Control		25
6.01	Introduction	25
6.02	Preparation of budgets	26
6.03	New Funding Requests	26
6.04	Systems of budgetary control	26
6.05	Budget limits and Delegation	27
6.06	Virement	28
6.07	Family Health Service Payments	30
6.08	Financial consequences of change	30
Section 7: Staff Appointments, Remuneration and related matters		31
7.01	Remuneration Committee	31
7.02	Staff Appointments	31
7.03	Processing of Payroll	31
7.04	Termination Settlements	33
7.05	Organisational Change	33
7.06	Extension to Pay during periods of absence	34
7.07	Ex Gratia Payments	34
7.08	Trade Union Facility Time	34
Section 8: Non Pay Expenditure		35
8.01	Introduction	35
8.02	Delegation of Authority	35
8.03	Responsibilities	35
8.04	Requisitioning of goods and services	37

Section 9: Tenders, Quotations and Contracting Requirements 38

9.01	Introduction.....	38
9.02	Thresholds for Purchasing of goods, services and works.....	38
9.03	NSS Contract / Framework Agreement	40
9.04	Contract Extensions	41
9.05	Contracts on behalf of Scottish Ministers, NHSS or combinations of public bodies	41
9.06	NHS Scotland Health Board Capital Expenditure Procurements.....	42
	General Requirements	42
9.07	Advertising.....	42
9.08	Signing of contracts.....	43
9.09	Record of contracts	43
9.10	Variations to contracts.....	43
9.11	Interim and final payments.....	43
9.12	Communications	44
9.13	Contract and Supplier Management.....	44

Section 10: Tenders, Quotations and Contracting Requirements for Research 45

10.01	Introduction.....	45
10.02	Thresholds for Purchasing of Research Services	45
10.03	Research contract award approval.....	46
	General Requirements	47
10.04	Advertising and notification of research contracts.....	47
10.05	Research contract agreement signature	47
10.06	Record of research contracts.....	48
10.07	Interim and final payments.....	48
10.08	Research contract variations	48
10.09	Research collaboration agreements.....	48
10.10	Communications	49

Section 11: Appointment of advisers and non-permanent staff 50

11.01	Introduction	50
11.02	Definition	50
11.03	Specification of need	51
11.04	Procedures for appointment.....	51
11.05	Appointment considerations for the Director.....	51
11.06	Tendering Arrangements.....	52
11.07	Functional continuity	52

11.08	Audit and Risk Committee Reporting Requirements	52
Section 12: Income Generation and Intellectual Property		54
12.01	Introduction	54
12.02	Authority Levels	54
12.03	Determination of charges	54
12.04	Foreign Currency	55
12.05	Third party contracts and agreements	55
12.06	Intellectual Property and Other Guidance	55
12.07	Notification of income to the Director of Finance	56
12.08	Recovery of outstanding debt.....	56
Section 13: Capital Investment, Private Financing, Fixed Asset Registers		57
13.01	Capital Investment.....	57
13.02	Asset Registers.....	58
13.03	Security of assets	58
13.04	Treatment of receipts.....	59
Section 14: Banking arrangements		60
14.01	General	60
14.02	Banking Procedures	60
14.03	Bank balances	60
14.04	Provision of Imprests.....	60
14.05	Corporate Purchasing Cards.....	60
Section 15: Stocks and Stores		62
15.01	Introduction	62
15.02	Custody of stocks	62
15.03	Stores records	62
15.04	Movement of stocks.....	62
15.05	Valuation of stock	62
15.06	Slow moving and / or obsolete stock.....	62
15.07	Stock levels.....	63
15.08	Stock taking	63
15.09	Stock certificates	63
15.10	Stocks held on behalf of SGHSC	64
15.11	Delegation of authority.....	64
15.12	Reporting	64
15.13	Escalation	64
Section 16: Annual Report and Accounts.....		65
16.01	Introduction	65

- 16.02 Basis for preparation65
- 16.03 Chief Executive Responsibilities65
- 16.04 Director of Finance Responsibilities65
- 16.05 Approval of Annual Report and Accounts66
- Section 17: Information Governance 67**
- 17.01 Financial Information Systems67
- 17.02 Data Protection Act.....68
- 17.03 Freedom of Information69
- 17.04 Management, Retention and Disposal of Administrative Records69
- Section 18: Losses and Special Payments 70**
- 18.01 General70
- Section 19: Non-Public Funds 71**
- 19.01 General71
- Appendix I 72**
- Protocol for the commitment of resources72
- 1.01 Capital Expenditure within NSS’s Baseline Allocation72
- 2.1 Revenue Expenditure within NSS’s Baseline Allocation72
- 2.2 Revenue Expenditure for specific projects funded through separate SGHSC allocation73
- 2.3 Revenue Expenditure for Services provided by NSS on behalf of other Health Boards73
- Appendix II 74**
- Losses: delegated limits74
- Appendix III 77**
- Sales contracts and income generation77
- Appendix IV 78**
- Director of Finance Checklist78

Section 1: Introduction

General

1.01 Background

These Standing Financial Instructions (“SFIs”) replace all previous instructions and are issued for compliance by all officers of the Common Services Agency, more commonly known as NHS National Services Scotland (and referred to as NHS National Services Scotland or NSS throughout these Standing Financial Instructions) from 1 April 2022.

These SFIs and supporting policies and procedures detail the financial responsibilities adopted by NHS National Services Scotland. Their purpose is to provide sound control of NHS National Services Scotland's financial and related activities and are carried out in accordance with the law and Scottish Government policy. They should be used in conjunction with the Standing Orders and in particular the Schedule of Matters Reserved to the Board and the Scheme of Delegation therein.

All NSS policies referred to in this document can be found on geNSS or the ServiceNow portal.

1.02 The purpose of the scheme of control is:

- To ensure the NSS acts within the law and that financial transactions are in accordance with the appropriate authority.
- To ensure that proper accounting records, which are accurate and complete, are maintained.
- To ensure that financial statements, which give a true and fair view of the financial position of NSS and its expenditure and income, are prepared timeously.
- To protect NSS against the risk of fraud and irregularity.
- To safeguard NSS assets.
- To ensure proper standards of financial conduct are maintained.
- To enable the provision of appropriate management information.
- To ensure that NSS seeks best value from its resources by making proper arrangements to pursue continuous improvement, having regard to economy, efficiency and effectiveness in NSS operations; and
- To ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements

NSS shall exercise financial supervision and control by:

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

1.03 Responsibilities & Application of the SFIs

These SFIs identify the financial responsibilities that apply to everyone working for NSS. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures and any consequent amendments must be approved by the Director of Finance.

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance must be sought before you act.

1.04 Compliance

The Director of Finance is responsible for assisting the Chief Executive as Accountable Officer and therefore has ultimate responsibility ensuring that SFIs are in place, up to date and observed in NSS. The responsibilities of the Director of Finance are specified in the SFIs may be carried out by such other senior finance officers as he or she might specify.

Members and officers of NSS shall observe these SFIs. Directors shall be responsible for ensuring that the SFIs are made known within the services for which they are responsible and shall ensure they are adhered to.

Any breach or non-compliance with these SFIs must, on discovery, be reported immediately to the Director of Finance who will discuss the matter with the Chief Executive and/or Director to determine the proper action to be taken. The views of internal audit and/or Counter Fraud Services may also be taken depending on circumstances. All breaches will be reported to the Finance, Procurement and Performance Committee.

Failure to comply with the SFIs shall be a disciplinary matter.

1.05 Variation and Revocation

These SFIs may only be varied or revoked in accordance with the Standing Orders.

1.06 Terminology

The following terminology applies throughout these Standing Financial Instructions:

- (a) “Accountable Officer” means the Scottish NHS Officer responsible and accountable for funds entrusted to NSS. The Accountable Officer will be responsible for ensuring the proper stewardship of public funds and assets. For NHS National Services Scotland it will be the Chief Executive.
- (b) “Board” means the Board of NHS National Services Scotland.
- (c) “Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all the functions of NSS.
- (d) “Budget Holder” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- (e) “Chief Executive” means the chief officer of NSS.
- (f) “Contract” means any arrangement giving rise to right and obligations between NSS and any one or more third parties whether legally enforceable or otherwise.
- (g) “Director of Finance” means the chief financial officer of NSS.
- (h) “Executive Management Team (EMT)” means the committee of executive officers of NSS appointed by the Board and given authority by the Board to act in accordance with its remit.
- (i) “Financial Services” means the central finance function of NSS.
- (j) “Framework Agreement” means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2015.
- (k) “Director” means the chief officer of a Directorate of NSS; “Legal Advisor” means the properly qualified person appointed by NSS to provide legal advice.
- (l) “Officer” means employee of NSS or any other person holding a paid appointment or office with NSS.
- (m) “NSS” means NHS National Services Scotland, the common name of the “Common Services Agency for the Scottish Health Service”; and
- (n) “SGHSC” means the Scottish Government Health and Social Care Directorates.
- (o) Virement – the reallocation of budget authority

Wherever the title Chief Executive, Director of Finance, and Director is used in these instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent NSS.

Wherever the term "employee" is used and where the context permits it will be deemed to include employees of third parties contracted to NSS when acting on behalf of NSS.

All references in these Instructions to the singular form will be read as equally applicable to the plural. Similarly, all references in these Instructions to the masculine gender will be read as equally applicable to the feminine gender.

Section 2: Responsibilities of Chief Executive, Director of Finance, Directors and Employees

2.01 Responsibilities of Chief Executive as Accountable Officer

Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of NSS as Accountable Officer.

Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable officers, and any updates issued to them by the Principal Accountable Officer for the Scottish Government. The memorandum was updated in April 2006.

2.01 (a) General Responsibilities

The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finance for NSS.

The Accountable Officer must ensure that the Board takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.

It is incumbent upon the Accountable Officer to combine his or her duties as Accountable Officer with their duty to the Board to whom he or she is responsible and from whom he or she derives his/her authority. The Board is in turn responsible to the Scottish Parliament in respect of its policies, actions and conduct.

The Accountable Officer has a personal duty of signing the Annual Report and Accounts for NSS. Consequently, he or she may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament and be expected to deal with questions arising from the Accounts, or, more commonly from reports made to Parliament by the Auditor General for Scotland.

The Accountable Officer must ensure that any arrangements for delegation promote good management, and that he or she is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services.

2.01 (b) Specific Responsibilities

Ensure that from the outset proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.

Ensure that the Board's financial obligations and targets are met. The Chief Executive shall be responsible for the implementation of the Boards financial policies and for co-ordinating any corrective action necessary to further these policies. In fulfilling this responsibility, the Chief Executive shall take account of advice given by the Director of Finance on all such matters. The Director of Finance shall be accountable to the Board for this advice.

Sign the Accounts assigned to him or her, and in doing so, accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by the Scottish Ministers

Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check, and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manual, as well as in the form prescribed by the published Accounts.

Ensure that public funds, and assets such as land, buildings or other property including stores and equipment for which he or she is responsible are properly managed and safeguarded, with the appropriate checks in place.

Ensure that, In the consideration of policy proposals relating to expenditure, or income, for which he or she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are considered, and where necessary brought to the attention of the Board.

Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control systems have been put in place.

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

Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard for economy, efficiency and effectiveness, and in a manner which encourages the observance of equal opportunities requirements.

Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs for performance in relation to those objectives.

Ensure that managers at all levels are assigned well defined responsibilities for making best use of resources, including a critical scrutiny of output and value for money.

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

2.01 (c) Regularity and Propriety of Expenditure

The Accountable Officer has a particular responsibility for ensuring compliance with Parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in the Budget Acts (or otherwise authorised by Section 65 of the Scotland Act 1998).

Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's Accounts. In the case of expenditure approved under the Budget Act, any payments made must be within the scope and amount specified in that Act.

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

2.01 (d) Advice to the Board

The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness.

If the Accountable Officer considers that, despite their advice to the contrary, the Board is contemplating a course of action which they consider would infringe the requirements of regularity or propriety, and that they would be required to take action that is inconsistent with the proper performance of his or her duties as Accountable Officer, they should inform the SGHSCD's Accountable Officer, so that the Department if it considers is appropriate, can intervene and inform the Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing his or her objection and the reasons, to the proposal. If their advice is overruled, and the Accountable officer does not feel that he or she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, as representing value for money, he or she should obtain written instructions from the Board for which he or she is designated, and send a copy of his or her request for instruction and the instruction itself as soon as possible to the External Auditor and the Auditor General for Scotland.

It is the duty of the Chief Executive to ensure that the Directors, employees and all new appointees are notified of and understand their responsibilities within the SFIs.

2.01 (e) Absence of Accountable Officer

The Accountable Officer should ensure that they are generally available for consultation, and that in any temporary period of unavailability a senior officer is identified to act on their behalf.

If the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more, NSS will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.

Where the Accountable Officer is unable by reason of incapacity or absence to sign the Annual Report and Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

2.02 Responsibilities of the Director of Finance

Provision of financial advice to the Board and its employees.

Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further those policies.

Ensuring that sufficient financial records are maintained to show and explain the Board's transactions, to disclose, with reasonable accuracy, the financial position of the Board at any time.

The design, implementation and supervision of systems of internal financial control incorporating the principles of separation of duties and internal checks.

The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties and responsibilities.

Setting accounting policies consistent with Scottish Government guidance and generally accepted accounting practice.

2.03 Responsibilities of all Directors and Employees

All directors and employees of the Board, severally and collectively, are responsible for:

- security of the Board's propriety,
- avoiding loss.
- exercising economy and efficiency in the use of NSS resources.
- complying with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.
- reporting on discovery of any non-compliance of the SFIs to the Director of Finance.

All staff must be aware of the Fraud Management Policy (including the Fraud Action Plan) and the Whistleblowing Policy. The Counter Fraud Champion (also the Chair of the Audit and Risk Committee) is responsible for ensuring the requirements of Fraud Action 'Plan are met, and processes followed in every relevant situation.

The Director should ensure that these SFIs and associated documents are made known to all staff within the Directorates and ensure that they are adhered to.

Any contractor, or employee of a contractor, who is empowered by NSS to commit NSS to expenditure or who is authorised to obtain income will be covered by these instructions. It is the responsibility of the Director to ensure that such persons are made aware of this.

For all members of the Board and Executive Management Team and employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and Executive Management Team and employees discharge their duties must be to the satisfaction of the Director of Finance.

Section 3: Code of Conduct

3.01 Introduction

The [Model Code of Conduct for Members of Devolved Public Bodies \(nhs.scot\)](https://www.nhs.uk) was issued by the Scottish Ministers on 7 Dec 2021, with the approval for the Scottish Parliament, as required by the Ethical Standards in Public Life etc, (Scotland) Act 2000 . Its purpose is to set out the conduct expected of those who serve on the Boards of public bodies in Scotland.

The Code has been developed in line with the nine key principles of public life in Scotland. The financial responsibilities are set out in this section. The code of conduct for members of NSS are discussed further in the NSS standing orders.

3.02 General Principles

There is a general presumption against the giving or receipt of gifts and hospitality by employees of NSS. All employees should: -

- Not put themselves in a position where their official and private interests may conflict.
- To be aware off the presumption of influence on a potential purchasing decision or strategic decision relating to the business objectives of NSS; and
- Not make use of their official positions to further their private interests.
- These guidelines should be read in conjunction with section 3 on bribery

3.03 Activities involving the use of official information or experience

Any employee of NSS (other than medical or dental staff engaged in clinical practice) is required to obtain permission from the relevant Director, before undertaking any form of private work which involves the use of official NHS information, or his NHS experience.

All media broadcasts or television appearances by employees of NSS on matters relating to the work of NSS should be regarded as official duty, and no question of payment to individuals will normally arise. However, if the work of preparation for the media broadcast/television appearance involves private, as well as official time, the Chief Executive may, at his or her discretion, allow an employee to retain the whole or part of any fee as appropriate.

3.04 Outside Occupation

Employees of NSS are not allowed to accept any outside employment which would require their attendance at any time during their normal working hours with NSS. Employees should notify NSS if they propose to take up outside employment which would, when both or more

employments are combined, result in their average working week exceeding the maximum working week laid down in the Working Time Regulations 1998, currently 48 hours per week.

Employees are advised not to engage in outside employment which may conflict with their NHS work or be detrimental to it.

3.05 Confidentiality

No employee of NSS shall use for their own benefit or gain, or divulge to any persons, firms, companies or other organisation whatsoever, any confidential information belonging to NSS, or relating to its affairs or dealings, which may come to the employee's knowledge during the course of their duties. Employees will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given

Notwithstanding this, any employee who has genuine concerns about operational issues and service delivery, particularly if the concerns relate to health and safety, malpractice or fraud has a right and responsibility to raise these. Further details of how staff should raise concerns are outlined in the NSS Whistle blowing policy and the Fraud Management Policy.

3.06 Contracts and use of services of NSS contractors

On starting employment, all NSS staff must declare any financial interests or relationships (e.g. Honorary positions held) with any manufacturer, supplier or contractor, with whom the NSS has, or is likely to enter into a contractual relationship, or any financial or other interests which may affect NSS's decisions. In addition, any employee engaged in ongoing activity or a project involving third parties must declare any relevant financial or other interests at the earliest opportunity to their Director and comply with any consequent requests or instructions made by NSS. Any NSS staff leading activity or projects with third parties must, at initiation and at all meetings, thereafter, seek positive confirmation as to any such interests which those NSS staff present may have and take action accordingly. Any interests declared must be properly recorded in the minutes and records of the meetings.

Board Members have a duty to declare any interests at any meeting when they are acting in their capacity as a Board Member. If a Board Member declares an interest, then the Member must remove themselves from the meeting.

In addition, Board Members, Directors, Senior Managers and Senior Procurement staff of NSS will be asked quarterly to confirm their declarable interests.

No employee of NSS may purchase goods from, or use the services of, a contractor on preferential terms for private purposes, if these terms are given directly or indirectly because of the contractual or other official business relationship (whether potential or actual), between the contractor and NSS.

3.07 Acceptance of Gifts

For the purpose of this section, a gift shall be taken to mean any personal, material and/or financial advantage or reward, which reward can include material items such as calendars, stationery etc.

Employees must never ask or seek any gift. Where gifts are sent to an employee, these should only be accepted when the gift is of minimal or nominal value and in any case where the value is presumed to be less than £5. All other gifts should be returned to the sender.

It is recognised that, on occasion, a gift may be received from a patient or a donor as a “thank you” for services received. These gifts would be difficult to refuse without causing offence. If they are of low intrinsic value, the principles outlined above should be applied. Should they be expensive, the Director should be consulted for a view on acceptance.

In all cases in relation to gifts, it is recognised that it is NSS who is the owner of the received gift and not the individual employee.

Casual gifts offered by contractors or others e.g. at Christmas time should be declined.

3.08 Acceptance of Hospitality

For the purpose of this section, hospitality shall be taken to mean an offer of food, drink, invitations to events, travel and/or accommodation.

As a guiding principle, hospitality should be refused. Modest hospitality, provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable when the scale of hospitality is similar to that which the NHS would be likely to offer in the circumstances. Where hospitality is provided at free events or conferences - where the object is to maintain knowledge or develop networks – this may be accepted, provided the hospitality is proportionate,

For the avoidance of doubt, tickets to national sporting events or similar should be refused.

3.09 Procedure for completing and recording forms

Full guidance on accepting and recording of gifts and hospitality can be found on the Service Now portal.

3.10 Reporting

An annual report of all accepted gifts and hospitality offered and accepted will be submitted to the EMT and Audit and Risk Committee for noting.

3.11 Use of official Accommodation, Equipment or Vehicles

No employee of the NSS may make use of, or make available for use, official accommodation, equipment, supplies, services or vehicles, for private purposes, without the prior permission of the Chief Executive.

Employees should not use, or in any way enable others to use, public bodies resources imprudently, unlawfully, for any political activities or matters relating to these or improperly.

Employees should not make inappropriate or unauthorised use of IT systems e.g. email and Internet access. The NSS guidelines governing the use of IT systems should be referred to for further guidance.

3.12 Bribery

The Bribery Act 2010 came into force on 1 July 2011 and makes it a criminal offence to take part in 'active' or 'passive' bribery or to fail to prevent bribery in an organisation:

- (a) Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.
- (b) Passive bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.
- (c) Bribery of a foreign public official (section 6 of the Act) makes it an offence to offer, promise or give a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official function. Previously such payments may have been known as Facilitation Payments.
- (d) Corporate offence (section 7 of the Act) states that an organisation may be liable if it fails to have adequate procedures in place to prevent bribery.

Employees must be committed to the prevention of bribery and all forms of corruption. NSS operates a zero-tolerance approach to bribery committed by any person working at NSS and any person who provides services for or on behalf of NSS and that any allegation of bribery by a Board member or employee will be investigated in accordance with relevant processes and procedures and may be reported to the authorities, as appropriate.

The NSS approach to addressing fraud, which includes bribery, is set out in Section 4.

Section 4: Suspected Theft, Fraud and Other Irregularities

4.01 Introduction

This section should be read in conjunction with the Fraud Management Policy and the Fraud Action Plan.

The following procedures should be followed, as a minimum, in cases of suspected theft, fraud, embezzlement, corruption, bribery or other financial irregularities to comply with the above guidance.

In addition, guidance and recommendations issued from time to time by NSS Counter Fraud Services to combat fraud should also be considered and implemented where necessary.

4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities

NSS has a Fraud Management Policy and Action Plan, in accordance with Scottish Executive HDL(2005)5. All NSS staff should be aware of the content of this plan and their responsibilities in relation to the prevention and detection of fraud including bribery and corruption and their duty to report any suspicious activity.

The Fraud Action Plan is reviewed annually, amended as appropriate, and submitted to the Audit and Risk Committee for re-endorsement annually.

The Fraud Action Plan will specify the form and content of NSS's Fraud and Other Illegal Acts Register, which is to be reviewed annually by the Audit and Risk Committee.

The Chair has the responsibility to designate a Non-Executive Member of the Board who is also a member of the Audit and Risk Committee as the Counter Fraud Champion (CFC). Their role is to raise the profile of counter fraud initiatives and publicity across the organisation. The CFC will support the Fraud Liaison Officer (FLO), whose role it is to co-ordinate action where there are reasonable grounds for believing that an instance of fraud, theft, embezzlement, corruption, bribery, or other financial irregularity has occurred. Contact details for the CFC and FLO can be found in the Fraud Management Policy and on the finance pages on geNSS.

It is the FLO's responsibility, supported by the CFC where appropriate, to inform as they deem appropriate, the Police, Counter Fraud Services (CFS), the appropriate director(s), the Appointed External and Internal Auditors, the Chief Executive and the Chair of the Audit and Risk Committee, where such an occurrence is suspected. It should be noted that CFS does not routinely investigate the crime of theft, unless systematic losses have occurred, and the use of covert surveillance is being considered.

Where any officer has grounds to suspect any of the above activities has occurred, they should report this to the FLO without delay. The FLO will ensure that there is consultation with CFS as set out in the Fraud Action Plan. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

Where the suspicion involves an Executive or Non-Executive Director the matter will be reported to the CFC. It is the CFC's responsibility, supported by Counter Fraud Services, to co-ordinate any such investigation. The CFC will inform the appointed External and Internal Auditors and the Chair of the Board, where the allegation relates to the Chair of the Board the CFC will inform Scottish Government.

If, in exceptional circumstances, the CFC, the FLO and the Head of Internal Audit are unavailable the officer should report the circumstances to the Chief Executive who will be responsible for informing CFS. As soon as possible thereafter the FLO should be advised of the situation.

Where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, CFS will undertake the investigation on behalf of, and in co-operation with NSS. At all stages the CFC, the FLO and the Head of Internal Audit will be kept informed of developments on such cases. All referrals to CFS must also be copied to the Appointed Auditor.

4.03 Remedial Action

As with all categories of loss, once the circumstances of a case are known the CFC will be required to take immediate steps to ensure that so far as possible these do not recur. However, no such action will be taken if it would prove prejudicial to the effective prosecution of the case. It will be necessary to identify any defects in the control systems which may have enabled the initial loss to occur, and to decide on any measures to prevent recurrence.

4.04 Reporting to SGHSC

While normally there is no requirement to report individual cases to SGHSC there may be occasions where the nature and/or scale of the alleged offence or the position of the person or persons involved, could give rise to national or local controversy and publicity. Moreover, there may be cases where the alleged fraud appears to have been of a particularly ingenious nature or where it concerns an organisation with which other public health sector bodies may also have dealings. In all such cases, SGHSC must be notified of the main circumstances of the case at the same time as an approach is made to CFS.

4.05 Responses to Press Enquiries

Where the publicity surrounding a particular case of alleged financial irregularity attracts enquiries from the press or other media, the Chief Executive will ensure that the relevant officials are fully aware of the importance of avoiding issuing any statements, which may be regarded as prejudicial to the outcome of criminal proceedings or potential actions of CFS. Advice on such issues will be provided by CFS.

4.06 National Fraud Initiative

NSS participates in the National Fraud Initiative coordinated by the Audit Commission for the prevention and detection of fraud and other financial irregularity. As part of this initiative NSS is required to share financial data including payroll data with the Audit Commission who will compare this data with other public sector bodies to highlight potential fraud. NSS through the FLO will investigate all queries arising through the initiative and take action in accordance with its findings.

Section 5: Audit and Financial Performance Arrangements

5.01 Audit and Risk Committee

In accordance with Standing Orders the Board will establish an Audit and Risk Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control.

5.02 Finance, Procurement and Performance Committee

In accordance with Standing Orders the Board will establish a Finance, Procurement and Performance Committee, with clearly defined terms of reference, which will provide an independent and objective view on any financial matters referred to it by the Board.

5.03 Director Strategy, Performance and Service Transformation

The Director of Strategy Performance and Service Transformation is responsible for:

- 1) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function.
- 2) ensuring that the internal audit is adequate and meets the NHS best practice.
- 3) ensuring that an Internal Audit Plan is prepared for the consideration of the Audit and Risk Committee. The plan must cover:
 - a) strategic audit plan covering the coming three years; and
 - b) a detailed plan for the coming year.
- 4) ensuring that an annual Internal Audit Report is prepared for the consideration of the Audit and Risk Committee. The report must cover:
 - a) a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by SGHSC including for example compliance with control criteria and standards.
 - b) major internal financial control weaknesses discovered.
 - c) progress on the implementation of internal audit recommendations; and
 - d) progress against plan over the previous year.

The Director of Finance, the Head of Internal Audit or their authorised representatives and CFS in relation to a fraud investigation will have authority, without necessarily giving notice, and on production of identification, to require and receive:

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

5.04 Irregularities

Whenever any matter arises which involves, or is thought to involve, irregularities concerning stores or other property of NSS or any suspected irregularity it will be notified immediately to the Fraud Liaison Officer (FLO) who will inform Counter Fraud Services and the Director of Finance. Where appropriate, the Director of Finance will inform the Chief Executive and the Head of Counter Fraud Services.

Any decision to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption will be taken by the Chief Executive and the Director of Finance. Such decisions will be taken after obtaining appropriate advice from NSS Counter Fraud Services.

Further details pertaining to suspected theft, fraud, embezzlement, corruption, bribery and other irregularities are contained at Section 4.

5.05 Audit Reporting

Annual and longer-term audit plans will be prepared and laid before NSS's Audit and Risk Committee for approval by 31 March preceding the audit year commencing 1 April, or at such other time as the Committee may approve.

5.06 Internal Audit

Detailed Internal Audit Reports will be submitted to and agreed with management following all audit visits. Management must respond formally to audit reports within five working days of receipt of the final draft. The finalised report will be provided to the Director, Director of Finance and NSS's statutory auditor.

Each year NSS's Internal Audit Service provider will prepare and present to the Audit and Risk Committee an annual Internal Audit Report which summarises internal audit findings in the preceding year. This will be submitted before 30 June following the audit year in question.

Periodic review of the responses to agreed actions will be carried out by the Internal Auditors and the findings presented to the Audit and Risk Committee.

5.07 External Audit

The Public Finance and Accountability (Scotland) Act 2000 places responsibility on the Auditor General for Scotland to decide who is to undertake the external audit of each health body in Scotland.

The appointed External Auditor will conduct their audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland.

5.08 Service Audit

Annual Service Audit Reports will be submitted to and agreed with management following audits of the key services we provide to NHS Boards. Management must respond formally to audit reports within three weeks of receipt. The finalised reports will be provided to the Director, Director of Finance, NSS's statutory auditor and to the Audit and Risk Committee.

Each Service Auditor Report will provide an opinion on the controls in place and how effectively they have been operating during the year under review. This will be submitted before 30 June following the audit year in question.

The report will also detail the exceptions that were identified during the course of the testing, and management's responses to these. Management will be required to ensure that action is taken to address the risks or issues identified by the agreed deadlines.

Periodic review of the actions taken will be carried out by the Service Auditors and the findings presented to the Audit and Risk Committee.

5.09 Risk Management

The Audit and Risk Committee is responsible for overseeing the risk management framework for NSS.

The Chief Executive is responsible for reviewing the effectiveness of the system of internal control, which includes the maintenance of an NSS risk register. The NSS risk register should be reviewed by the Board, Board Committees and Executive Management Team and management teams as set out in the NSS Integrated Risk Management Approach (IRMA).

The Directors are responsible for ensuring that risk registers are appropriately maintained and reviewed, and that appropriate risk management strategies and practices are adopted within their Directorates as outlined in the IRMA.

Section 6: Financial Planning and Budget Control

6.01 Introduction

NSS has a responsibility to prepare and submit financial plans in accordance with the requirements of SGHSC to the Board and to SGHSC, ensuring that the budgets reconcile to such plans.

NSS will perform its functions within the total of funds allocated by Scottish Ministers and through income from other Health Boards and from other sources. All plans, financial approvals and control systems will be designed to meet this obligation.

NSS's income consists of four elements:

- the NSS baseline allocation which is to be treated as an aggregate sum.
- specific additional allocations of funding for projects and services sponsored by SGHSC and managed by NSS on behalf of NHSScotland.
- bottom sliced allocation from other Health Boards to fund National Services provided by NSS; and
- Income earned from trading with other Health Boards and other third parties.

NSS's financial planning cycle in respect of all income and expenditure will be co-ordinated with its business planning arrangements and timetables as approved by the Board. The financial plans will be reviewed in detail by the EMT and the Finance, Procurement and Performance Committee before being put to the Board for approval.

All requests for additional funding and income whether capital or revenue should be made using the Service Now Demand portal. Requests will be approved and prioritised on both an annual basis through the Resource Allocation Meetings and monthly at the EMT meetings.

The funding for specific ring-fenced projects will be agreed in advance of the project's commencement with NSS and SGHSC and will be supported by request through the Demand tool in the Service Now portal and an approved business case where required by SGHSC. The Director of Finance should be notified of any such projects at the earliest opportunity and will be responsible for ensuring funding is secured via additional allocations

Services funded through bottom slicing will agree the budget with those Health Boards involved. Retrospective adjustments will be made at the same time for any over/underspend from the previous period.

The financial planning cycle in respect all NSS functions, including projects, programmes and services managed by NSS on behalf of NHSScotland will be co-ordinated with SGHSC's planning cycle.

6.02 Preparation of budgets

The Directors will prepare and submit budgets, which reconcile to the approved financial plan to Director of Finance in line with the agreed timetable for NSS. Such budgets will:

- 1) be prepared within the limits of available funds as advised by the Director of Finance or SGHSC in the case of additional allocations.
- 2) meet any requirements of the Board and SGHSC.
- 3) be in accordance with the aims and objectives set out in the Annual Operating Plan and reflected in the Directorate's Business Plan
- 4) accord with workload, workforce plans and funded establishment; and
- 5) identify potential risks and opportunities.

The Directors will be required to formally approve the delegated budget for their Directorate on an annual basis.

6.03 New Funding Requests

The Director is responsible for securing additional revenue or capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All additional funding, whether through NSS or SGHSC allocations or income from health boards or third parties must be requested through the Business Case process in the Service Now Demand portal. This will ensure the Board have full visibility of all funds they are accountable for.

Once approved these additional funds will form part of the budget for the duration of the project, programme or service.

6.04 Systems of budgetary control

The Director of Finance will monitor financial performance against budget and will ensure that a performance management process is in place to periodically review the finance plan.

The Director of Finance will have a right of access to budget holders on budget-related matters and be entitled to receive relevant information accordingly promptly and fully.

The Director of Finance will devise, introduce and maintain systems of budgetary control, and all staff of NSS will ensure compliance with these systems.

Such systems will incorporate:

- 1) monthly financial reports to the Board in a form approved by the Board containing:
 - a) income and expenditure to date showing trends and forecast year-end position.
 - b) capital projects spend and projected outturn against plan on a monthly basis.

- c) comparison of the agreed annual workforce establishment to the actual in month, year to date and forecast position.
- d) specific programme level reporting in respect of all major projects, programmes and services managed by NSS on behalf of NHSScotland, in line with the specific requirements defined by the Finance, Procurement and Performance Committee.
- e) explanations of any material variance from Directorate's Finance Plans (material being defined as the higher of 10% and £100,000). For the purpose of reporting, materiality should be considered in relation to the total income, and the total pay and non-pay expenditure; and
- f) details of corrective action where necessary and the Director of Finance's view of whether such actions are sufficient to correct the situation.

investigation and reporting of variances from financial, workload and workforce budgets, including a requirement for finance staff to escalate any significant changes to income and expenditure to both the Director of Finance and the Director.

- 2) monitoring of management action to correct variances; and
- 3) arrangements for the authorisation of budget transfers in the case of NSS's general allocation.
- 4) arrangements for the return of specific additional allocations or proposed virement in line with agreed conditions of funding award for funds managed by NSS on behalf of NHSScotland (see section 4.24 for rules of virement).

The Director is responsible for ensuring that:

- 1) any likely overspending or reduction of income, which is not offset by corresponding reduction in expenditure, which cannot be met by virement within agreed limits is not incurred without the prior consent of the Director of Finance in respect of the general allocation, in addition to SGHSC in respect of ring-fenced funds.
- 2) the amount provided in the approved budget is not used in whole or in part for any other purpose other than that specifically authorised subject to the rules of virement.

The monthly financial returns from Directorate's will report actual results against a revised budget reflecting in year allocations.

6.05 Budget limits and Delegation

The budgets adopted by NSS will be set so as to ensure that it meets the financial targets to contain its Revenue and Capital expenditure in each year within the limits approved by SGHSC and to meet the targets set by SGHSC regarding Cash Releasing Efficiency Savings (CRES) and cash requirement.

The Board will approve budget limits and set business performance targets for all Directorate's except in respect of earmarked funds allocated for specific purposes by SGHSC. Overall responsibility for budgetary control will rest with the Chief Executive, who is the Accountable Officer of NSS.

The Chief Executive will, in turn, delegate this responsibility to senior officers in NSS within the context of an agreed performance assessment framework.

Each Director is the designated budget holder and is accountable to the Chief Executive and to the Board for the financial performance of their Directorate.

The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board or SGHSC for NSD earmarked funding and other funds managed by NSS on behalf of NHSScotland (including eHealth) (see Appendix I).

Any budgeted funds within NSS's general allocation not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to authorised use of virement (see below). In relation to earmarked funds and other funds managed by NSS on behalf of NHSScotland, budgeted funds not required for their designated purpose revert to the immediate control of either SGHSC's Director of Finance or Health Board Chief Executives as appropriate, subject to the authorised use of virement (see below).

As part of monthly financial reporting arrangements, the Director with delegated authority to manage earmarked funds and other funds managed by NSS on behalf of NHSScotland, must report formally to the Director of Finance where budgeted funds are not required.

The Director of Finance will be responsible for making arrangements to return un-required funds to SGHSCD in line with agreed protocols.

Non-recurring budgets will not be used to finance recurring expenditure without the prior approval of the Chief Executive or Director of Finance, or SGHSC as appropriate.

Within NSS's general allocation, the Chief Executive, Director of Finance or the Board, as appropriate, must approve expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

Irrespective of the approved budget levels, commitment of expenditure by budget holders must comply with procurement rules (see section 6 to 9). Approval of any contract award should be in accordance with section 7 and the approval levels set out in 7.03 and 7.05 followed.

6.06 Virement

Virement is the re-allocation of budget authority. It involves reducing the level of budget at one or more Budget Centres and correspondingly increasing the level of budget at one or more other Budget Centres.

There is an over-riding requirement on the Board to contain expenditure within NSS's Revenue Resource Limit (RRL); it may, therefore, be necessary in certain circumstances for the Chief Executive to impose virement and vary the budget of an individual Budget Holder.

Subject to the foregoing rules, planned or fortuitous savings within delegated limits (see Appendix 1) may be redeployed within NSS's general allocation provided that the Director has verified that:

- (a) they do not arise from major alterations in service provision.

- (b) they are not part of an efficiency savings initiative.
- (c) the level of service defined in the Business Plan has been or will be achieved.
- (d) details of the savings figures have been provided to the Director of Finance.
- (e) non-recurring savings are not committed recurrently.
- (f) the Budget Centre in total is expected to remain within budget by the end of the year.
- (g) the alternative use does not conflict with NSS policy.

In the case of NSD's earmarked funding allocation, the Director of NSD has delegated authority from SGHSC to allocate revenue funds to national services, and to vire funds between individual national services. Such actions should be within the earmarked allocation for commissioning national healthcare and screening services to ensure that the actual costs of specialist and screening services needed by residents of Scotland are met, as far as possible, within the overall earmarked allocation made available by SGHSC, provided that:

- a) the level of service defined in National Healthcare and Screening Service Agreements has been or will be achieved.
- b) waiting times are within the limits set by SGHSC.
- c) funding shifts do not generate major service change unless prior approval by SGHSC has been granted.
- d) use or application of savings across the total earmarked funds of NSD (subject to the virement reference above) should be agreed in conjunction with the relevant funding bodies, i.e. SGHSC for top sliced allocation for designated specialist and screening services, and NHS Boards for NHS Scotland financial risk share arrangements; and
- e) savings against earmarked funds of NSD will not be used to support NSS activity; similarly NSS funds will not be used to support activity funded through NSD.

The Director of NSD must report significant virements to the Director of Finance in the first instance and to the National Corporate Finance Network.

Virement within earmarked capital / non-recurring funds and in respect of funding managed by NSS on behalf of NHSScotland is only permitted with prior approval of SGHSC.

For the avoidance of doubt, virement between projects and programmes within eHealth must be specifically approved by the Deputy Director (eHealth) in SGHSCD.

All virements must be recorded in the finance ledger against the appropriate service.

6.07 Family Health Service Payments

NSS is responsible for the payments to primary care practitioners, Scottish Infected Blood Scheme and MESH payments on behalf of the NHS Scotland territorial Health Boards. Cash is drawn down from Scottish Government on a monthly basis to ensure payment to all contractors under the Medical, Pharmacy, Dental and Ophthalmic contractor streams.

The Director of Practitioner and Counter Fraud Services is responsible for the delivery of this service.

The Director of Finance is responsible for:

- a) all aspects of financial control, the management of cash requirements and the processing of payments.
- b) setting the delegated authority limits for the authorisation of payments on a monthly basis.
- c) regular reviews of financial controls; and
- d) reviewing and approving changes to financial controls.

The Finance, Procurement and Performance Committee will receive regular reports from the Director of Finance on financial governance, control and performance in year.

6.08 Financial consequences of change

The Director of Finance will keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards and other events and trends affecting budgets and will advise on the financial and economic aspects of future plans and projects.

Section 7: Staff Appointments, Remuneration and related matters

7.01 Remuneration Committee

In accordance with Standing Orders, the Board will establish a Remuneration and Succession Planning Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

7.02 Staff Appointments

The Board will delegate responsibility to a manager for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board; and
- b) dealing with variations to, or termination of, contracts of employment.
- c) both in a form which complies with employment legislation.

No officer of the Executive Management Team or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- a) unless within the limit of his approved budget and funded establishment; or
- b) in exceptional circumstances if authorised to do so by the Chief Executive.

The Board will approve or delegate to a Board Committee the approval of procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

All employee contracts will conform to relevant standard NHS terms and conditions. Any variation from standard terms and conditions will require prior approval of the Director of Human Resources and Workforce Development.

The Remuneration Committee will approve all new or additional jobs created for AfC band 8c, 9 and Executive grades. In addition, they will agree all senior appointments where the lower half of the salary range will not secure the preferred candidate.

7.03 Processing of Payroll

The Director of Finance is responsible for ensuring that appropriate arrangements exist for:

- a) specifying timetables for submission of properly authorised time records, expense claims and other notifications.

- b) the final determination of pay and allowances.
- c) making payment on agreed dates; and
- d) agreeing method of payment.

The Director of Finance will issue instructions regarding:

- a) verification and documentation of data.
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances.
- c) maintenance of subsidiary records for superannuation, income tax, national insurance contributions and other authorised deductions from pay.
- d) security and confidentiality of payroll information.
- e) checks to be applied to completed payroll before and after payment.
- f) authority to release payroll data under the provisions of the Data Protection Act and National Fraud Initiative.
- g) methods of payment available to various categories of employees and officers.
- h) procedures for payment by bank credit to employees and officers.
- i) procedures for the recall of cheques and bank credits.
- j) pay advances and their recovery.
- k) maintenance of regular and independent reconciliation of pay control accounts.
- l) regular reconciliation of key standing data between the payroll system and the Human Resources Business Systems.
- m) a system to ensure the recovery from leavers of sums of money and property due by them to NSS.
- n) procedures for reclaiming expenses incurred wholly, necessarily and exclusively for business purposes.
- o) procedures for the recovery of any over/under payments; and
- p) procedures for the regular review of protection payments to ensure compliance with policy.

Appropriately nominated managers and EMT members have delegated responsibility for:

- a) completing and authorising time records, and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance.
- b) submitting time records, and other notifications in accordance with agreed timetables; and
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil Executive Management Team obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

7.04 Termination Settlements

In the case of a termination settlement, a cost/benefit statement must be prepared for submission to the Director of Finance to demonstrate the financial effect of the decision. This statement will be in a form approved by the Remuneration Committee. In all cases, the appropriate Director, the Director of HR and Workforce Development, and the Director of Finance must sign the statement in support.

Where the full cost of the settlement exceeds £75,000, the case must be submitted to the Chair of the Remuneration Committee for prior approval. The Chief Executive will be responsible for authorising settlements where the total cost is less than £75,000. An annual report of all such instances will be presented to the Remuneration Committee by the Chief Executive.

Approval from or notification to SGHSC of any settlement agreements will be done in conjunction with relevant guidance issued by SGHSC.

Prior to payment of any termination settlement the Head of Payroll Services will ascertain from the Director of Finance and the Director of HR and Workforce Development that the settlement has been duly authorised.

7.05 Organisational Change

The Director is responsible for setting out the requirements and following the Organisational Change Policy. A full financial appraisal must support the organisation change programme and be submitted to the Change Oversight Group (COG) for approval.

The financial budget for any established posts is removed from the Directorate budget as a gross saving and reinvested within the NSS Workforce Resource Team as required.

7.06 Extension to Pay during periods of absence

The line manager with support from HR advisors is responsible for requesting an extension to pay during extended periods of absence. The Section 14 Workforce review panel, chaired by the Director of Finance will assess the circumstances of the individual and where appropriate approve any extension to pay.

7.07 Ex Gratia Payments

All ex-gratia payments made to staff will be approved in line with section 17 on losses and special payments. An annual report of all such payments will be presented to the Remuneration Committee by the Director of Finance.

7.08 Trade Union Facility Time

All trade union representatives are required to submit the time spent on trade union activities on a biannual basis to the Head of Payroll Services. This information will be used to support the required disclosures for the Annual Report and Accounts and other regulatory disclosures.

Section 8: Non Pay Expenditure

8.01 Introduction

This section deals with obtaining goods, works or services solely for NSS own use.

All procurement activity must be undertaken in line with the [Scottish Government Procurement Journey](#) and all specific NHSScotland procurement policies.

The NSS procurement team will provide advice and support to the Directorate's on all aspects of procurement to ensure compliance with all relevant Acts and regulations. The NSS Procurement Team will manage all route 2 and 3 procurement requirements as defined within the Scottish Government Procurement Journey,

Capital works must be undertaken in line with the requirements set out in the [Scottish Government Scottish Capital Investment Manual](#) and the [Construction Procurement Handbook](#) or any subsequent amendment or revision of those documents issued by Scottish Government.

It is the responsibility of everyone involved in the process of commitment of Non-Pay Expenditure to familiarise themselves with the requirements commensurate with their intended procurement. Guidance can be sought from and will be provided by the NSS Procurement team.

It is the responsibility of everyone involved in the process of commitment of Non-Pay Expenditure to familiarise themselves with the requirements commensurate with their intended procurement. Guidance can be sought from and will be provided by the NSS Procurement team.

8.02 Delegation of Authority

Each Director will designate an officer(s) who will be empowered, within defined limits, to authorise the creation of NSS's official purchase orders on behalf of their respective Directorate. The authorisation of a Purchase Order commits expenditure on behalf of NSS and, following completion of the relevant procedures, the disbursement of NSS funds to the supplier.

8.03 Responsibilities

The Chief Executive is responsible for

- setting out procedures on the seeking of professional advice regarding the supply of goods and services in line with SGHSC guidance and recognised best practice.

The Director of Finance is responsible for:

- Issuing instructions for staff regarding the handling, checking and payment of accounts and claims within the Finance Operations team.

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained.
- the account is arithmetically correct.
- appropriate entries have been made in purchasing and payment systems, registers, inventories, stores or similar records as required.
- the appropriate expenditure code numbers are charged with the cost.
- payments for goods and services are only made once goods and services are received.
- appropriate segregation of duties for placing orders, receipting goods and services and authorising payment of invoices.
- ensure that appropriate arrangements are in place for the prompt payment of accounts and claims. Payment of contract invoices will be in accordance with contract terms, or otherwise, in accordance with national guidance.
- only invoices with a valid purchase order number will be paid.
- VAT has been appropriately applied; and
- the account is in order for payment.

Director is responsible for:

- compliance with the guidance and limits specified by the Director of Finance/
- the purchase of goods be in accordance with Scottish Government Procurement Journey and NHSScotland procurement policies
- ensure the procedures are followed when placing an order and invoking competitive quotation or tendering arrangements are outlined in Section 8.
- where consultancy advice is being obtained, the procurement of such advice must be in accordance with Section 9.
- goods and services are received timeously and accurately.
- no contract will be entered into, or purchase order issued for any item or items to any organisation or person which has made an offer of gifts, inducement, reward or benefit to directors or employees,

- no requisition/order or contract acceptance is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive.

8.04 Requisitioning of goods and services

The requisitioner or officer placing the order, in choosing the goods to be supplied (or the service to be performed) and the procurement process to be followed must always seek to obtain the best value for money for NSS and NHS Scotland. In so doing, where deemed appropriate, the advice of NSS's procurement staff and where appropriate CLO shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) must be consulted. Details of any such occurrences should be reported quarterly as appropriate to the Finance, Procurement and Performance Committee

Full guidance for ordering and receipting of goods and services can be found on the knowledge base of the Finance and Procurement Service Now portal.

Section 9: Tenders, Quotations and Contracting Requirements

9.01 Introduction

These Standing Financial Instructions define the arrangements for tendering or receipt of quotations and contracting requirements. They apply for procuring or ordering goods or services for which no applicable public sector contract or framework agreement currently exists that NSS can use.

The Director of Finance is responsible for ensuring the maintenance of systems for the invitation, receipt, safe-keeping and selection of tenders and quotations, which will include a register of tenders.

9.02 Thresholds for Purchasing of goods, services and works

The thresholds for the purchasing/ordering of all goods, services and works are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	Achievement of value for money should be demonstrated. Where possible, this will be through receipt of three competitive quotations from reputable suppliers. (In the absence of such quotes, the purchaser must be prepared to justify the procurement route chosen to the Director of Finance if asked to do so).
Contract value > £10,000 and < £50,000 (except public works) Public Works <£2m	Procurement Journey Route 1
Contract value £50,000 or more over its lifetime (4 years maximum) (except public works) Public Works £2m or greater	Procurement Journey Route 2 . This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.
Contract with an estimated value equal to or greater than the published thresholds detailed within SPPN 08/2019 (valid until January 2022)(see 8.07 below)	Procurement Journey Route 3 This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.

In order to ensure that value for money is achieved it is essential that a sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work or provide the goods/service are identified. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility/sustainability and risk management.

In the case of Goods and Services, the estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value, even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate best practice procurement route is chosen

In the case of Works, purchasers are required to estimate the value of the whole works project, irrespective of whether or not it comprises a number of separate contracts for different activities, stages or phases of an individual project.

Any contract with an anticipated value of over £50,000 must be routed through the NSS Procurement team. The NSS Procurement manager will ensure that standardised NSS procurement processes are followed and that NSS complies fully with regulations and SG policy.

In certain circumstances, public procurement regulations may not apply. This is permitted using the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations. To ensure probity the Sole Source Justification form should be completed in these circumstances. If the purchase is of an ongoing nature, a single form for the requirement should be completed at the start of each financial year and attached to the initial Purchase Order for NSS Procurement records. All subsequent Purchase Orders should reference the initial Purchase Order number. The Sole Source Justification form can be found in the NSS Procurement pages on geNSS (see Section 6). These exemptions require careful consideration and the advice of the NSS Head of Procurement must be sought at the earliest opportunity if circumstances may require their use.

No tender may be invited for goods, services or works unless the estimated expenditure is included in the Directorate's Budget or Business Plan or has been previously approved by the Chief Executive.

Tender submissions should be sought by use of the SG supported e-Tendering system or the Public Contracts Scotland web portal or another approved Public Sector web portal.

All Tenders must be appraised against the Scottish Procurement Document (SPD). This is a statutory requirement that ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed. Guidance on the use of the SPD should be sought at all times from the NSS Procurement Department.

Where, in exceptional circumstances, three competitive written quotations or tenders cannot be provided by reputable suppliers the tender process and selection must be approved by the Chief Executive or the Director of Finance via a sole source justification. The sole source justification form can be found on Service Now). The Director of Finance will present, on an

annual basis, a report to the Finance, Procurement and Performance Committee detailing the nature and justification for any such circumstances.

The Director is the responsible for:

- must be satisfied that all required processes and procedures in compliance with public procurement regulations have been adhered to prior to accepting a tender.
- must ensure that all accepted tenders have the appropriate details entered onto the NSS contract register which will be maintained by the NSS Procurement Department.
- ensure that all tender documentation, reports and records must be retained and stored in line with NSS document management and retention policy.
- ensure that every contract contains a clause entitling NSS to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative, with or without his knowledge, has colluded in tendering for the contract or any other contract with NSS or has employed any corrupt or illegal practice in obtaining or executing that or any other contract with NSS.

An officer or executive having a pecuniary interest, whether direct or indirect, in any tender with NSS must declare this interest to the Director of Finance who must ensure such details are entered in the Register of Pecuniary Interest. Such officers must also disqualify themselves from any involvement in the tender procedures.

Except where otherwise agreed all contracts will be in writing and subject to the Law in Scotland.

9.03 NSS Contract / Framework Agreement

Prior to award on behalf of NSS itself of any contract or Framework Agreement or call off by NSS of any Framework Agreement (or extension of any contract or Framework Agreement or call off same), where the annual amount (or amount relating to the extension period if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director.
- £50,000 to £100,000 must follow formal procurement regulations and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Contracts Approvals Board and the Director of Finance.
- more than £500,000 but less than £1 million approval is required from Contracts Approvals Board and then from the Chief Executive.
- more than £1 million are reported to the NSS Board through the Finance, Procurement and Performance Committee, following approval from the Chief Executive as above.

9.04 Contract Extensions

Wherever practicable, approval for contract extensions should be sought on a timely basis so that extension approval not be granted that there is sufficient time to run the appropriate procurement process set out in these SFIs. For all contract extensions which require authorisation by the Chief Executive or the NSS Board, NSS procurement must seek CLO advice and ensure approval is sought in sufficient time to run an appropriate procurement process or an exemption must be agreed by the Chief Executive and reported to the NSS Board.

9.05 Contracts on behalf of Scottish Ministers, NHSS or combinations of public bodies

Prior to the new financial year the National Procurement Director will provide the Finance, Procurement and Performance Committee with a procurement strategy detailing all planned contracts/framework agreements awards. Based on an assessment of financial and reputational risk the Committee will identify those contracts/framework agreements which will require approval by the Board.

For contracts/framework agreements awards not identified as requiring Board approval by the Finance, Procurement and Performance Committee the following approval strategy will apply based on the estimated/expected **total annual value** or uptake under the Contract or Framework Agreement:

- less than £2 million, approval is required from the National Procurement Director, the Strategic Sourcing Director and the Director of DaS for an IT-related contract.
- more than £2 million but less than £5 million, approval is required from the Contracts Approvals Board (Director of Finance, National Procurement Director, Strategic Sourcing Director and for IT approvals the DaS Director).
- more than £5 million, approval is required from the Chief Executive of NSS following the Contracts Approval Board.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.

All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.

All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

9.06 NHS Scotland Health Board Capital Expenditure Procurements

Where Equipping Projects are performed by NSS either by direct engagement or under a Service Level Agreement (SLA) with Health Boards and under their own SFIs, with Purchasing Approvals on spend by the Health Board Project Teams under their Capital Expenditure Budget for the Project, with our Procurement Team operating as a proxy HB Procurement Team, the following approval levels will apply.

- less than £100,000, approval is required from the relevant procurement Category Manager
- more than £100,000 but less than £500,000, approval is required from the Head of Strategic Sourcing
- more than £500,000, approval is required from the Director of National Procurement

The above approval levels only apply to contracts where purchase orders are raised by Health Boards and there is no NSS financial commitment.

General Requirements

9.07 Advertising

In accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold values set out in [SPPN 08/2019](#) (valid until January 2022) over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be in accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold value over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be sought from NSS Procurement.

9.08 Signing of contracts

The official signing of any contract or framework agreement that requires Board approval (as per sections 9.02 and 9.04 above) will be sealed with the Common Seal of the Common Services Agency.

The Director of Finance must ensure the segregation of duties between negotiating and the signing of contracts. Contracts entered into by NSS for services for NSS or provided on behalf of NHSScotland must be approved by the Director of Finance or the Chief Executive.

9.09 Record of contracts

To effect compliance with the Procurement Reform (Scotland) Act 2014, NSS' utilises the [Public Contracts Scotland](#) (PCS) web portal contract register functionality to maintain a public register of all contracts in excess of £50,000 in value. The Director of Finance will receive a copy of the register on an annual basis.

9.10 Variations to contracts

All agreements with suppliers/contractors to vary contracts for supplies/works of a revenue or capital nature must be in-line with procurement regulations and will require approval should additional expenditure meet thresholds detailed in line with Section 9.

Claims from suppliers/contractors which are not clearly within the terms of the contract concerned will be referred to the Procurement Department, who will inform Chief Executive and/or Director of Finance, if necessary, before agreement is reached and any payments are made.

Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

With regard to contracts for works (capital expenditure), the contract will specify the circumstances that will occur before a variation is appropriate. The officer authorised to supervise and control the work must ensure these conditions are observed before authorising any contract variation.

9.11 Interim and final payments

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors will provide the Director of Finance with a list of authorised signatures, together with specimen signatures and initials. These lists will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

9.12 Communications

All contracts (other than for a simple purchase permitted within the Scheme of Delegation and excluding Service Agreements for national specialist healthcare and screening services), leases, tenancy agreements and other commitments which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

9.13 Contract and Supplier Management

Each Directorate is responsible for ensuring that key contracts and suppliers are managed effectively to ensure agreements meet performance requirements and provide value for money.

Key suppliers should be identified and managed on a quarterly basis utilising the segmentation tool and balanced scorecard within the Scottish Government Procurement Journey (<https://www.procurementjourney.scot/route-3/contract-and-supplier-management/planning-and-governance>).

Each Directorate will be required to provide an annual report to the Finance Performance and Procurement Committee on supplier management activity.

Section 10: Tenders, Quotations and Contracting Requirements for Research

10.01 Introduction

This section defines the arrangements for tendering or receipt of quotations and contracting requirements specifically for purchasing research services.

Research and development services, being a Specific Situation of the Public Contracts (Scotland) Regulations 2015, are generally considered an exclusion from the public procurement regulations.

The public procurement regulations only apply if: a) if the benefits of the research accrue exclusively to NSS for use in the conduct of NSS' own affairs; **and** b) NSS wholly fund the research from its own budget. If both conditions apply, then the public procurement regulations apply – refer to Section 9 of the [Standing Financial Instructions](#). However, if only one or less of these conditions apply then the research is considered an exclusion and the arrangements, as set out below, apply. In such instances, the public procurement regulations do not apply as the research is not considered a commercial contract.

The Director is responsible for ensuring that all research contracts comply with current legislation and the Standing Financial Instructions (SFIs), as appropriate.

10.02. Thresholds for Purchasing of Research Services

The thresholds for the purchasing all research services are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	By value for money. Where possible, through receipt of three competitive quotations from reputable providers. (In the absence of such quotes, the purchaser must be prepared to justify the rationale for not seeking three quotations to the Director of Finance (if asked to do so).

Contract value > £10,000 and < £50,000	By invitation – seeking three quotations from reputable providers without having to advertise the research contract.
Contract value £50,000 or more over its lifetime (4 years maximum)	By advertisement – advertising the contract on the NSS site. This can be an open or restricted invitation to tender.

The other purchasing process that exists for research services:

- A non-competitive direct award process, used in exceptional circumstances, where three competitive written quotations or tenders cannot be provided. Notable reasons for awarding a research contract directly to a single, identified external research provider are extreme urgency or intellectual property rights.

In order to ensure that value for money is achieved a sufficient number of suitably qualified providers with adequate capacity to undertake the research services are identified.

The estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value; even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate purchasing process is chosen.

No tender may be invited for research services unless the estimated expenditure is included in the Directorate’s Budget or has been previously approved by the Director of Finance. Estimated expenditure must be approved prior to the purchasing process commencing.

10.03 Research contract award approval

Prior to award on behalf of NSS of any contract, where the **total amount** (or amount relating to the variation if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director.

- £50,000 to £100,000, research contract is advertised, and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Director of Finance.
- more than £500,000 approval is required from the Director of Finance and then from the Chief Executive.
- more than £1 million are reported to NSS Board through the Finance, Procurement and Performance Committee, following approval from the Chief Executive as above.

General Requirements

10.04 Advertising and notification of research contracts

In accordance with the Public Contracts (Scotland) Regulations 2015, research contracts are considered excluded contracts. Research contracts above £50,000 over its lifetime are advertised on the NSS site.

All research tenders, above £50,000, are appraised against the Scottish Procurement Document (SPD). This ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed.

A research contract with an estimated expenditure of more than £1million (in total) will be notified to the Finance, Procurement and Performance Committee, via the Director of Finance at the contract advertisement stage.

10.05 Research contract agreement signature

The official signing of any contract or framework agreement must follow the financial thresholds and associated personnel set out in section 3 above.

Except where otherwise agreed all contract agreements will be in writing and subject to the Law in Scotland.

10.06 Record of research contracts

The Directorate must maintain a research contract register for all commissioned research contracts. The Director of Finance shall receive a copy of the research contracts register as requested.

10.07 Interim and final payments

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors will provide the Director of Finance with a list of authorised signatories. This list will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

10.08 Research contract variations

Where research contract variations including extensions require additional expenditure, approval for the variation must be sought before agreement is made with the external research provider. For contract variations where the original contract was routed through the Research Office, the Research Office must be notified in the first instance. Approval shall be in line with the financial thresholds and associated personnel set out in section 3 above.

Contract variation agreement signature shall be in line with section 3 above.

Wherever practicable, approval for contract variations including extensions should be sought on a timely basis so that should approval not be granted there is sufficient time to run a purchasing process as appropriate.

Claims from external research providers which are not clearly within the terms of the contract concerned will be referred to the Head of NSS Procurement, if necessary, before agreement is reached and any payments are made. Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

10.09 Research collaboration agreements

Where research collaboration agreements require expenditure (including staff time) by NSS, approval for the collaboration must be sought before agreement is made with the other collaborators.

Collaboration agreement signature shall be in line with section 3 above.

10.10 Communications

All research contracts which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

Section 11: Appointment of advisers and non-permanent staff

11.01 Introduction

These Standing Financial Instructions define the procedures to be followed in the selection and appointment of Advisers and staff not on open-ended contracts and should be read in conjunction with Sections 8 and 9.

Provider	Process
Legal Advisers	CLO must act as appointed legal advisers on all legal matters unless approval has been granted by Chief Executive
Management Consultants/ Contractors (individuals and companies)	This section 9. The authority limits in section 9 also apply.
Agency staff	In line with all establishment posts, agency and contractor staff will be recorded on the relevant NSS Business Systems to ensure compliance with the National Directory and NHS Mail access for all members of staff and to allow for effective monitoring of all staff across NSS. Agency staff must be appointed in line with the NSS Agency Workers Process including a requirement to utilise any national procurement framework or contract in place for such staff within NHSS. Completion of an online “check of employment status for tax” must also be carried out prior to the start of any engagement. The authority limits in section 9 also apply
Secondees	Before appointing any Secondees to work in NSS, the relevant Director must be consulted and their approval to proceed should be given prior to proceeding with any appointment
Temporary/Fixed Term Employees	Normal HR recruitment

11.02 Definition

Contractors are used by NSS -

- a) to provide specific expertise which may not be readily available within NSS.
- b) to perform a task within a defined time span; or
- c) to provide an outside objective view on a particular matter.

11.03 Specification of need

In considering the need for Management Consultants/Contractors it is essential that the following processes are adhered to: -

- 1) Define assignment to be undertaken: The nature of the task requires to be identified and a specification with the timescale prepared. This will enable the quantity and quality of professional skill required to be assessed.
- 2) Consider alternative means of undertaking assignment: Having prepared the specification it should be possible to consider whether the Directorate's own staff can undertake the assignment, within normal working hours, in overtime hours or on a secondment basis. If this is not possible the option of involving other Directorate's staff on a secondment or chargeable basis should be explored before any consideration of an outside source is made. Should outside support be necessary the suitability of temporary staff should be considered before finally deciding to progress to the process leading to the appointment of Management Consultants/Contractors.
- 3) Define the basis of the consultancy: It is necessary to decide the appropriate method of appointment, for example if the end date of the assignment and timescale can be clearly identified a block fee would be appropriate. However, it is recognised that it is not always possible to do this and in such circumstances a day rate basis would be appropriate.

11.04 Procedures for appointment

The applicable procurement procedures and limits set out in sections 8, 9 and 10 must always be followed.

11.05 Appointment considerations for the Director

- For each appointment an online assessment through HMRC must be completed to determine the employment status for tax purposes for the engagement.
- Contract of employment and fee must be aligned to an established job description, any departure from this must be approved by the Director of HR and workforce Development and the Director of Finance.
- Appropriate consideration is given to the particular experience and reputation of the individual(s)/organisation.
- The individual(s)/organisation is competent to undertake the assignment and retain documentary evidence of their consideration.

- Professional competence is vetted, and evidence retained.
- Where appointment is made due to lack of specific expertise being available within NSS, arrangements should be made wherever practical for knowledge or skills transfer into NSS to occur. The anticipated knowledge or skills transfer should be documented and tracked thereafter.
- for conducting a review of the effectiveness and value for money of the assignment prior to the departure of, or as soon as practicably possible thereafter, the appointed Management Consultant/Contractor. Internal Audit or any other body as may be required should record details of such review for the purposes of any subsequent independent scrutiny for ensuring that the work to be undertaken in the assignment has been carried out satisfactorily will certify invoices for work done and will ensure that the fee charged is correct.
- Throughout the whole procurement process of developing need, specification, tendering, appointment and payment the officers involved in the exercise are responsible for ensuring that best value for money is obtained.

11.06 Tendering Arrangements

In all circumstances, the arrangements for tendering set out in Section 9 will be followed.

11.07 Functional continuity

Where for whatever reason it is decided to extend the appointment of a Management Consultant/Contractor, and this will increase the value of the initial or current assignment sufficient to move it into a higher value band (see Section 9) the materiality of any such extension should be measured and appropriate legal advice sought from CLO prior to the approval of the Chief Executive and/or the Director of Finance must be obtained before proceeding to extend the appointment.

Similarly, CLO advice should be sought and the Chief Executive's and/or the Director of Finance's approval must be obtained in all cases where the value or timescale of the extension cannot be estimated.

11.08 Audit and Risk Committee Reporting Requirements

NSS's Audit and Risk Committee can, at any time, call for the justification of expenditure on Management Consultants.

The Director of Finance will present, on an annual basis, a report to the Audit and Risk Committee detailing the nature of and expenditure incurred by each Directorate on the employment of Management Consultants in the preceding year.

Section 12: Income Generation and Intellectual Property

12.01 Introduction

This Standing Financial Instruction refers to all income generation (excluding SGHSC allocations) entered into by NSS, whether or not contractually binding, for the supply of goods and/or services by it to another party and for which money will be receivable by NSS. It applies to “contracts” with NHSScotland bodies, other public sector bodies and to all arrangements with private sector bodies.

Contracts with SGHSC are not subject to this section of the Standing Financial Instructions.

12.02 Authority Levels

Directorate’s may enter into income generating activities with outside parties on their own authority provided that:

- 1) the limits set out in Appendix III (pg76)are adhered to.
- 2) NSS’s standard terms and conditions of business/service level agreement apply.
- 3) if denominated in a foreign currency, approval has been obtained from Director of Finance as described below; and
- 4) section 10.19 on legal entity participation or investment is not relevant.

Any income agreement which does not meet all of the criteria above requires prior approval by the Director of Finance and/or Chief Executive.

Income agreements are frequently negotiated over a period of time which may be prolonged and often require to be ratified as soon as terms and conditions are agreed in order to avoid financial loss through further delay. Where authority from a higher level is required, officers should plan for and provide prior warning to all officers whose authority may be required.

12.03 Determination of charges

Each Director will review on at least an annual basis the charges for services provided by the Directorate. Unless such charges are fixed externally or are governed by specific SGHSC regulations and/or legislation, the Directorate income strategy, including charging principles and proposals for the revision of charges, will be submitted to the Chief Executive and Director of Finance for consideration and approval in advance of such revised charges being published. This will be formally approved as part of the annual business planning process.

In setting the level of fees and charges, Directors should ensure the full recovery of all costs including capital costs represented by capital charges. For recurring income streams there

should be a yearly review as part of the budget process to ensure that full recovery of costs is being achieved.

Where day rates form the basis of any fees and charges the approved NSS day rates should be used. Any variation from the approved day rates must be agreed with the Director of Finance.

Planned cross subsidisation is not permitted and marginal costing may only be used when unplanned spare capacity arises during the year.

Charges to the private sector may be set at any level that the market will bear, provided the price covers all direct and indirect costs.

In order to preserve the real value of income, increases recommended should have regard to at least the current rate of inflation.

12.04 Foreign Currency

Business should normally be conducted in sterling. Any Sales which are to be denominated wholly or in part in a foreign currency must be pre-notified to the Director of Finance at the earliest opportunity.

Foreign currency transactions will normally only be acceptable in “hard” currencies such as US dollars, the Euro or Swiss Francs. Other major world currencies will be acceptable where business is conducted with the appropriate country.

Foreign currency transactions in excess of £2million require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director of Finance for arrangement. Government accounting regulations require NSS to minimise the cost of its overseas (banking) transactions while protecting public funds against loss and uncertainty due to foreign exchange movements. NSS will therefore take steps to minimise its exposure to foreign exchange risks, for example by entering into forward exchange contracts, but must not speculate on foreign exchange movements.

12.05 Third party contracts and agreements

Under certain circumstances NSS may enter into non-financial contracts and agreements with third parties. All such agreements should be approved by the relevant Director. The Director should ensure that an appropriate approval process is followed prior to “sign off” in line with Scottish National Blood Transfusion Service Business Development Execution of Agreement Checklist.

12.06 Intellectual Property and Other Guidance

Directorate’s must comply with MEL(2000)13: “Fund Raising, Income Generation and sponsorship within the NHSiS” at all times.

The registration, other forms of protection, management and exploitation of Intellectual Property Rights (e.g. a brand, patent, domain name, etc.) is subject to compliance with current NSS Intellectual Property Policy and Scheme of Delegation.

Consideration should be given to using the services of Scottish National Blood Transfusion Service's Business Development Department which has particular expertise and experience in providing services necessary for the identification, protection and exploitation of IP as this is a frequent occurrence within Scottish National Blood Transfusion Service R&D programmes and third-party collaborations. Any such requests should be made via the office of the Director, Scottish National Blood Transfusion Service. An annual report on all relevant IP activity facilitated by Scottish National Blood Transfusion Service Business Development Department will be provided to the NSS Board/ Chief Executive via the NSS Clinical Governance Committee.

NSS participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSC guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director of Finance.

12.07 Notification of income to the Director of Finance

All accounts for income due to NSS will be raised under arrangements approved by the Director of Finance.

The Director is responsible for the new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All new income streams from health boards or third parties must be entered through the Business Case process in the ServiceNow Demand portal for approval by the appropriate authority.

12.08 Recovery of outstanding debt

The Director of Finance will ensure that appropriate systems are maintained for the recovery of outstanding debts in line with the Debt Management Policy.

The Director of Finance is responsible for the recovery of outstanding debts and will ensure agreed credit control procedures are exercised to minimise any loss to NSS.

Outstanding debts that are not recoverable and are to be written off will be dealt with in accordance with the approved procedures for losses (see Section 17 below).

Section 13: Capital Investment, Private Financing, Fixed Asset Registers

13.01 Capital Investment

The Director of Finance will ensure that:

- a) there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- b) adequate arrangements are in place for the effective management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.
- c) capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges; and
- d) All capital programme requests are agreed and prioritised by the Property and Asset Management Board.
- e) For all capital expenditure a proposal should be produced in line with the NSS Business Case Process.

The Director is responsible for securing capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. New projects must be requested through the Business Case process in the ServiceNow Demand portal. Funding will be approved and prioritised on an annual basis through the Resource Allocation Meetings, and any new requirements in year will be approved by the EMT at the monthly meeting. This will ensure the Board have full visibility of all funds they are accountable for.

The Director of Finance will issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

The Chief Executive, Director of Finance or the Board, as appropriate, must approve capital expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

The approval of a capital programme will not, of itself, constitute approval for expenditure on any scheme. The Director of Finance will issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure.
- b) authority to proceed to tender; and
- c) approval to accept a successful tender.

The Director of Finance will ensure procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes are issued. These procedures will fully take into account the delegated limits for capital schemes included in guidance from SGHSC.

13.02 Asset Registers

Director of Finance is responsible for the maintenance of registers of assets, including the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted at least once a year.

The minimum data set to be held within these registers will be as specified in the Scottish Capital Accounting Manual as issued by SGHSC.

Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be 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.

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

The Director of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

The value of each asset will be indexed to current values in accordance with methods specified in the Scottish Capital Accounting Manual issued by SGHSC.

The value of each asset will be depreciated using methods and rates as specified in the Scottish Capital Accounting Manual issued by SGHSC.

The Director of Finance will ensure that capital charges are calculated and accounted for as specified in the Scottish Capital Accounting Manual issued by SGHSC.

A small equipment registers as specified by the Director of Finance will be maintained within NSS. This register will incorporate high value and portable items of equipment, e.g. IT equipment, that do not fall within the scope of Capital Expenditure. The register will be in a format approved by the Director of Finance and a full count of identified items will occur at a time period specified by the Director of Finance. Any discrepancies will be noted in writing to the Director of Finance who will investigate as appropriate.

13.03 Security of assets

The overall control of fixed assets is the responsibility of the Chief Executive.

The Director of Finance must approve asset control procedures (including fixed assets and donated assets). This procedure will make provision for:

- a) Recording managerial responsibility for each asset.
- b) Identification of additions and disposals.

- c) Identification of all repairs and maintenance expenses.
- d) Physical security of assets.
- e) Periodic verification of the existence of condition of, and title to, assets recorded.
- f) Identification and reporting of all costs associated with the retention of an asset.

All discrepancies revealed by verification of physical assets to fixed asset register will be notified to the Director of Finance.

Whilst each employee and officer has a responsibility for the security of the property of NSS, it is the responsibility of the Board and Executive Management Team members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NSS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.

Any damage to NSS's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board and Executive Management Team members and employees in accordance with the procedure for reporting losses. (See Section 17)

Where practical, assets will be marked as NSS property.

Upon the closure of premises or transfer of functions a physical check of all items will be conducted. All items held will be detailed on a list certified by the responsible officer, together with their disposition.

13.04 Treatment of receipts

The Director of Finance is responsible for ensuring appropriate arrangements are in place for:

- a) approving the form of all agreement forms, or other means of officially acknowledging or recording monies received or receivable.
- b) ordering and securely controlling any such stationery.

All electronic receipts received on behalf of NSS will be recorded and deposited in accordance with the arrangements authorised by the Director of Finance. No deduction may be made from such money to meet expenditure of any kind.

The Chief Executive may delegate to nominated officers, authority to make ex-gratia payments below approved thresholds in line with procedures pertaining to such payments, e.g. compensation payments. All such payments must be notified to the Director of Finance and reported to the Audit and Risk Committee on at least an annual basis and reported in the Annual Accounts in accordance with the approved procedure for losses (see Section 17).

Section 14: Banking arrangements

14.01 General

The Director of Finance is responsible for the management of NSS's banking arrangements and for advising NSS on the provision of banking services and operation of accounts.

NSS will operate the bank accounts in accordance with all relevant guidance issued by SGHSC.

The Government Banking Service (GBS) will hold NSS's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts should be authorised by the Director of Finance.

14.02 Banking Procedures

The Director of Finance must agree in writing with NSS's bankers the conditions under which each account will be operated.

The Director of Finance will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

- a) the conditions under which each bank account is to be operated.
- b) those authorised to sign cheques or other orders drawn on NSS's accounts; and
- c) the arrangements to be made for payments that may be required in other currency denominations (see also section 10).

14.03 Bank balances

All NSS accounts must be kept in positive balance. Any instance of an account being overdrawn, no matter how temporary, should be reported to the Audit and Risk Committee.

14.04 Provision of Imprests

The Director may request the Director of Finance to provide imprest accounts for the purposes of defraying minor expenses. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

All imprest accounts will be reviewed annually for appropriateness.

14.05 Corporate Purchasing Cards

The Director may request the Director of Finance to provide the use of a corporate purchase card for the purposes of procuring goods and services, where only card payment method is

available The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

It is the responsibility of the Director to nominate a card holder or card user for their own area.

All corporate purchase card transactions will be reviewed annually for appropriateness by the Associate Director of Finance with the Director.

Daily and single transaction limits will be set by the Director of Finance. based on the expected use of the card. Increases to those limits must be submitted by the card holder and approved by the Director of Finance.

Section 15: Stocks and Stores

15.01 Introduction

Stocks and stores are those goods normally utilised in day-to-day activity but which at any point in time have not yet been consumed (excluding capital assets).

15.02 Custody of stocks

The management, control and safe custody of stocks will be the responsibility of Directors who may delegate responsibility for specific items to appropriate managers.

The Directors will institute a system, approved by the Director of Finance, for the management, control and safety of stocks. Any stock loss should be considered for further investigation under Section 4 and any subsequent write off be dealt with in accordance with Section 17.

15.03 Stores records

The Director of Finance will specify the form of stores records to be utilised, in conjunction with the control systems in place.

15.04 Movement of stocks

The Director of Finance will ensure appropriate arrangements are in place to control the receipt and issue of stocks designed to safeguard the assets of NSS.

15.05 Valuation of stock

Stock will be valued in line with agreed accounting practice. The use of average purchase price is deemed to represent cost where appropriate. Cost includes an appropriate allocation of overheads. Work in Progress will be valued at the cost of direct materials plus other conversion costs.

15.06 Slow moving and / or obsolete stock

Directors will institute a system, approved by the Director of Finance, for the identification of slow moving and obsolete stock and for the condemnation, disposal and replacement of all unserviceable items.

Those stocks that have deteriorated, or are no longer suitable for their intended purposes or usable for any other reason, or may become obsolete or deteriorate before all of the stocks can be used, will be written down to their net realisable value. Where this is considered necessary, a report giving full reasons for the write down will be sent to the Director of Finance in such a form to enable a report to be prepared for the Chief Executive and the Board of the National Services Scotland. Details of all write downs will be included in the Annual Accounts of NSS and reported in accordance with the losses procedures (see Section 17 and Appendix II).

Any stocks disposed of must be recorded and advised to the Director of Finance for inclusion in such a form to enable a report to be prepared for the Chief Executive and the Board. The report will include details of the method of disposal employed, and the costs and/or income accruing.

15.07 Stock levels

Directors will ensure that excess stocks are not held unnecessarily in any part of the supply chain.

Optimum levels of stock must be established by Directors and subjected to continuous monitoring and review as part of the management process.

Unless operational circumstances dictate otherwise, suppliers should be encouraged to hold goods until they are required by direct delivery.

15.08 Stock taking

In order to monitor the effectiveness of measures taken to control stock, a regular programme of stock taking must be established. All stocks will be counted and recorded at least once during each financial year. Unless a programme for 'perpetual inventory' exists, all stocks will also be counted, valued and reported as at 31 March each year.

15.09 Stock certificates

At each year-end it will be the Directors responsibility to supply the Director of Finance with a certificate for each store that details the value of stock held. The Director of Finance will agree the precise format of this certificate.

15.10 Stocks held on behalf of SGHSC

15.11 Delegation of authority

The Scottish Government Health Resilience Unit (SGHRU) team have delegated authority to purchase replenishment stock and issue stock from their Pandemic Stock to National Procurement for the following sectors:

- Healthcare Sector
- Acute Hospital Sector
- Independent Sector GP
- Scottish Ambulance Service
- Social Care Sector

15.12 Reporting

The Director for National Procurement will maintain an accurate and up-to-date record of stock balances, issues and replenishment order status. Weekly status reports and areas of risk will be provided

15.13 Escalation

In the event there is a dispute over the management of the stock this will be initially resolved at an operational level and if required escalated to the National Procurement Director and the lead manager of the SGHRU.

Section 16: Annual Report and Accounts

16.01 Introduction

Statutory Annual Report and Accounts will be completed each year for submission to the Board, prior to onward submission to SGHSC. These will be prepared in accordance with the provisions of the National Health Service (Scotland) Act 1978 and other related regulations in force.

16.02 Basis for preparation

The Annual Report and Accounts will comply with:

- International Financial reporting standards, as applied to the NHS.
- The accounting and disclosure requirements of the Companies Act.
- The requirements of the Annual Accounts Manual.

The Annual Report and Accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses, balance sheet and the cash flow statement.

16.03 Chief Executive Responsibilities

Preparation of the Governance Statement, which he or she shall seek appropriate assurances from the Directors and that of the Chief Internal Auditor, with regard to the adequacy and effectiveness of internal control throughout the organisation.

16.04 Director of Finance Responsibilities

- Will ensure the maintenance of such detailed financial records as are required under relevant statute and regulations that will form the basis for the preparation of the Annual Accounts of NSS. (see also Section 16 – Information Governance).
- Issue an Annual Report and Accounts completion timetable to Directorate's and Financial Services detailing requirements and associated responsibilities for the provision of information in support of the Annual Accounts process.
- Agree with the External Auditors the timetable for production, audit and approval by the Board of the Annual Report and Accounts by for the Auditor General for Scotland and SGHSC.

16.05 Approval of Annual Report and Accounts

The Annual Report and Accounts will be reviewed by the Audit and Risk Committee, which has responsibility of recommending approval of the Accounts by the Board.

Following the formal approval by the Board, NSS will submit to SGHSC the approved Annual Report and Accounts and such reports prepared in accordance with the requirements of SGHSC and any relevant guidance contained in the Scottish Accounting Manual.

Section 17: Information Governance

17.01 Financial Information Systems

The Director of Finance, who is responsible for the accuracy and security of the financial data (both electronic and paper formats) of NSS, will:

- a) devise and implement any necessary procedures to ensure adequate protection of NSS's financial data, and related computer hardware and software, for which s/he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for Data Protection principles.
- b) ensure that adequate controls exist over financial data access, entry, processing, storage, transmission, deletion, disposal and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system.
- c) ensure that adequate controls exist such that the computer operation used in relation to financial procedures is separated from development, maintenance and amendment.
- d) ensure that a secure, adequate, management (audit) trail exists through the computerised system used in relation to financial procedures and that such computer audit reviews as s/he may consider necessary are being carried out. All audit data will be held securely and only accessed by those authorised to access it in line with their business duties.
- e) all policies and procedures will be in line with NSS corporate information governance related policies, procedures and guidelines.

The Director of Finance will satisfy them self that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Development, test and live financial systems shall be appropriately segregated to reduce the risk of unauthorised access to and corruption of live data. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation. Any new financial systems or amendments to existing financial systems must be implemented in line with NHS Scotland Information Security Policy and Standards including HDL (2006) 41 and DL(0215)17. Where the new system or amendment involves the processing of personal data then the development will follow appropriate assessment of any data protection risks.

In the case of all computer systems which are to be utilised by the majority of the Directorate's, the Director of DaS will be responsible for maintaining:

- a) details of the outline design of the system.

- b) in the case of packages acquired either from a commercial organisation, from the NHS Scotland, or from another public sector organisation, the operational requirement.

The Director of Finance will ensure that contracts for computer services for financial applications with another health organisation or any other agency will clearly define the responsibility of all parties for the security, data protection, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes and that all applications and/or systems are purchased, developed, implemented, operated and decommissioned in line with the NHS Scotland Information Policy and Standards. Where the contract includes the processing of personal information it will be set in compliance with Data Protection principles and NHS CEL 25 (2011).

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance will periodically seek assurances that adequate controls are in operation, and they conform to the NHS Scotland Information Security Policy and Standards. If this other organisation is processing personal data as part of the financial application, the assurances sought should, as a minimum, include those set out in NHS CEL 25 (2011).

Where computer systems have an impact on corporate financial systems the Director of Finance will satisfy them self that:

- a) systems acquisition, development and maintenance are in line with corporate policies such as NHS Scotland Information Security Policy and Standards.
- b) data produced for use with financial systems is secure, adequate, accurate, complete and timely, and that a management (audit) trail exists.
- c) staff authorised by/on behalf of the Director of Finance staff have authorised appropriate access to such data in line with their job duties; and
- d) such computer audit reviews as are considered necessary are being carried out.

17.02 Data Protection Act

NSS must comply with provisions and principles of data protection law, including, but not restricted to, the EU General Data Protection Regulation, the Data Protection Act 1998 and the Data Protection Act 2018 including any amendments, subsequent orders under the said Acts or revisions thereto.

NSS's nominated Data Protection Officer (i.e. the Head of Data Protection) is responsible in overall terms for promoting and advising on compliance with the Acts. All staff members must act in compliance with the Acts by observing the NSS Data Protection Policy and approved Information Governance policy and guidelines.

17.03 Freedom of Information

NSS must comply with provisions and principles of the Freedom of Information (Scotland) Act 2002.

NSS's nominated Freedom of Information Officer is the Associate Director, Corporate Affairs and Compliance. Recognising the principal accountability of the Chief Executive, the Associate Director, Corporate Affairs and Compliance is responsible in overall terms for compliance with the Act. All inquiries made under the Freedom of Information (Scotland) Act 2002 should be dealt with in accordance with NSS's Freedom of Information Policy and Information Request Protocol.

17.04 Management, Retention and Disposal of Administrative Records

NSS must comply with the Public Records (Scotland) Act 2011 and the records management guidance set out in the Code of Practice on Records Management issued under Section 61 of the Freedom of Information (Scotland) Act 2002. CEL 31 (2010) Records Management: NHS Code of Practice (Scotland) provides guidance on the retention and disposal of administrative records.

Policies in relation to the above will be approved by the NSS Board in accordance with Standing Orders.

Section 18: Losses and Special Payments

18.01 General

SGHSC has delegated authority to NSS to write-off losses and make special payments up to certain limits. Details are given in Appendix II. For payments to be made above the levels specified SGHSC prior approval must be obtained.

The Board in turn will delegate its responsibility to the Chief Executive and Director of Finance to approve write-off and authorise special payments.

On a regular basis and at least annually, the Director of Finance on behalf of the Chief Executive will submit a report to the Audit and Risk Committee detailing all losses written off and special payments made.

The Director of Finance is responsible for ensuring the maintenance of a Losses and Special Payments Register for recording: -

- the circumstances
- the amount / value involved
- the action taken
- the date of write-off authority

This Register will form the basis of NSS's Annual Scottish Financial Return (SFR 18) which is included in NSS's Annual Accounts.

The Director of Finance will be authorised to take any necessary steps to safeguard NSS's interests in bankruptcies and company liquidations.

Section 19: Non-Public Funds

19.01 General

All receipts of non-public funds must be vested with the Trinity Park Foundation (“the Foundation”) which has its own Board of Trustees, one of which must be a member of the NSS Board.

All gifts, donations and proceeds of fund-raising activities which are intended for the Foundation’s use will be passed immediately to the Treasurer of the foundation to be banked directly in the Foundation’s bank account.

All gifts accepted will be received and held in the name of the Foundation and administered in accordance with the Foundation’s policy subject to the terms of any specific trusts.

The Director of Finance is responsible for the consolidation of the Trinity Park Foundation accounts with the NSS Annual Report and Accounts, where the transactions of the foundation are material.

Appendix I

Protocol for the commitment of resources

Level of Authority

Delegated Limit

1.01 Capital Expenditure within NSS's Baseline Allocation

- | | |
|-------------------------|---|
| (a) Director of Finance | The commitment of funds in respect of projects having a total gross cost of up to £500,000 in value which accord with the agreed Directorate's strategy approved by the Board. |
| (b) Chief Executive | The commitment of funds in respect of projects having a total gross cost of up to £1.0million in value which accord with the agreed Directorate's strategy approved by the Board. |
| (c) The Board | The commitment of funds in respect of projects having a gross total cost exceeding £1.0million. |

These arrangements are also subject to delegated capital limits as specified by SGHSC in the Scottish Capital Investment Manual, where the delegated limit for all capital projects is £1m. For capital projects greater than £1m approval is also required from the Capital Investment Group of SGHSC.

2.1 Revenue Expenditure within NSS's Baseline Allocation

- | | |
|--------------|---|
| (a) Director | All expenditure contained in the Annual Financial Plan, including developments and the specified use of non-recurring funds, subject to the executive approval procedures contained in Standing Financial Instructions and in accordance with agreed policies on, for example, recruitment. |
|--------------|---|

- | | |
|-------------------------|---|
| (b) Director of Finance | <ul style="list-style-type: none">a) The commitment of pre-planned individual developments where funds become available up to £500,000 in value which accord with the agreed Directorate's Strategy but are not included in the Annual Financial Plan for that year.b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £500,000 per development. |
| (c) Chief Executive | <ul style="list-style-type: none">a) The commitment of pre-planned individual developments where funds become available up to £1million in value which accord with the agreed Directorate's Strategy but are not included in the Annual Financial Plan for that year.b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £1million per development. |
| (d) NSS Board | <p>The bringing forward of pre-planned individual Revenue developments over £1million in value and the commitment of non-recurring resources not in the plan in excess of the limits specified above.</p> |

2.2 Revenue Expenditure for specific projects funded through separate SGHSC allocation

Project Director	<p>The commitment of funds up to the total gross cost of the agreed revenue budget as specified in the approved Business Case.</p>
------------------	--

2.3 Revenue Expenditure for Services provided by NSS on behalf of other Health Boards

Director	<p>The commitment of funds up to the total gross cost of the revenue budget set in agreement with the relevant Health Boards.</p>
----------	---

Appendix II

Losses: delegated limits

The delegated limits are as per SGHSC circular CEL (2010) 10 are as follows:

		Delegated Authority (per case) £
	Theft / Arson / Wilful Damage	
1	Cash	15,000
2	Stores/procurement	30,000
3	Equipment	15,000
4	Contracts	15,000
5	Payroll	15,000
6	Buildings & Fixtures	30,000
7	Other	15,000
	Fraud, Embezzlement & other irregularities (inc. attempted fraud)	
8	Cash	15,000
9	Stores/procurement	30,000
10	Equipment	15,000
11	Contracts	15,000
12	Payroll	15,000
13	Other	15,000
14	Nugatory & Fruitless Payments	15,000
15	Claims Abandoned	
	(a) Private Accommodation	15,000
	(b) Road Traffic Acts	30,000
	(c) Other	15,000
	Stores Losses	
16	Incidents of the Service –	

	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
17	Deterioration in Store	30,000
18	Stocktaking Discrepancies	30,000
19	Other Causes	30,000

Losses of Furniture & Equipment

And Bedding & Linen in circulation:

20	Incidents of the Service - Fire	15,000
	- Flood	15,000
	- Accident	15,000
21	Disclosed at physical check	15,000

**Delegated
Authority
(per case) £**

22	Other Causes	15,000
----	--------------	--------

Compensation Payments - legal obligation

23	Clinical	250,000
24	Non-clinical	100,000

Ex-gratia payments:

25	Extra-contractual Payments	15,000
26	Compensation Payments - Ex-gratia - Clinical	250,000
27	Compensation Payments - Ex-gratia - Non-Clinical	100,000
28	Compensation Payments - Ex-gratia - Financial Loss	25,000
29	Other Payments	2,500

Damage to Buildings and Fixtures:

30	Incidents of the Service	
	– Fire	30,000
	- Flood	30,000
	- Accident	30,000
	- Other Causes	30,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or kind	15,000
33	Other Losses	15,000

Appendix III

Sales contracts and income generation

AUTHORITY LIMITS

1. All income generation requires the prior approval of the Director of Finance or Chief Executive if the total lifetime value of a sales contract or Service Level Agreement (SLA) is or could be in excess of the undernoted limits.

Directorate	SG Funding, Income Generated from NHSScotland and Third Parties	Grant Income
	(£)	(£)
Scottish National Blood Transfusion Services	100,000	500,000
Central Legal Office	100,000	100,000
National Procurement	100,000	500,000
Specialist and Screening Services	100,000	500,000
NHSScotland Assure	100,000	500,000
Practitioner and Counter Fraud Services	100,000	500,000
Digital and Security	100,000	100,000
Finance	100,000	100,000
HR	100,000	100,000
Strategy, Performance and Service Transformation	100,000	100,000

2. Third Party contracts, SLAs new sources of income generation and grant income whose value is or could exceed £500,000 and grant income whose value is or could exceed £1m requires the approval of the Finance, Procurement and Performance Committee prior to entering into any commitment with the customer. Conditional approval may be intimated in writing by the Director of Finance.

Appendix IV

Director of Finance Checklist

Reference	Requirement	Frequency	Committee
1.06	Breaches of SFIs.	Earliest opportunity	Finance, Procurement and Performance Committee
5.14	Ex Gratia payments to staff.	Annual	Remuneration Committee
6.12	Exceptions to procurement guidelines.	Quarterly	Finance, Procurement and Performance Committee
6.28	Advance payment (non-contractual) for goods/services.	Annual	Finance, Procurement and Performance Committee
8.12/9.14	Sole Source Justification report.	Annual	Finance, Procurement and Performance Committee
9.23	Spend on Management Consultancy.	Annual	Audit and Risk Committee
13.06	Any instance of being overdrawn with bank.	Earliest opportunity	Audit and Risk Committee
18.03	Report of losses and special payments made.	Annual	Audit and Risk Committee



Code of Conduct for Board Members of National Services Scotland

CONTENTS

Section 1: Introduction to the Code of Conduct for Board Members

My Responsibilities

Enforcement

Section 2: Key Principles of the Code of Conduct for Board Members

Section 3: General Conduct

Respect and Courtesy

Remuneration, Allowances and Expenses

Gifts and Hospitality

Confidentiality

Use of Public Body Resources

Dealing with NSS and Preferential Treatment

Appointments to Outside Organisations

Section 4: Registration of Interests

Category One: Remuneration

Category Two: Other Roles

Category Three: Contracts

Category Four: Election Expenses

Category Five: Houses, Land and Buildings

Category Six: Interest in Shares and Securities

Category Seven: Gifts and Hospitality

Category Eight: Non-Financial Interests

Category Nine: Close Family Members

Section 5: Declaration of Interests

Stage 1: Connection

Stage 2: Interest

Stage 3: Participation

Section 6: Lobbying and Access

ANNEXES

Annex A Breaches of the Code

Annex B Definitions

SECTION 1: INTRODUCTION TO THE NSS CODE OF CONDUCT FOR BOARD MEMBERS

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

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

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

My Responsibilities

1.4 I understand that the public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.

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

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

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

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

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

Enforcement

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

SECTION 2: KEY PRINCIPLES OF THE NSS CODE OF CONDUCT FOR BOARD MEMBERS

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

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

The key principles are:

Duty

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

Selflessness

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

Integrity

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

Objectivity

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

Accountability and Stewardship

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

Openness

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

Honesty

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

Leadership

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

Respect

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

SECTION 3: GENERAL CONDUCT

Respect and Courtesy

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

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

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

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

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

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

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

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

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

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

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

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

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

Remuneration, Allowances and Expenses

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

Gifts and Hospitality

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

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

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

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

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

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

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

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

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

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

Confidentiality

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

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

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

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

Use of Public Body Resources

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

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

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

Dealing with NSS and Preferential Treatment

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

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

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

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

Appointments to Outside Organisations

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

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

SECTION 4: REGISTRATION OF INTERESTS

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

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

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

Category One: Remuneration

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

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

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

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, "Other Roles".

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

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

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of NSS in terms of paragraph [6.7](#) of this Code.

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

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

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

Category Two: Other Roles

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

4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.19 below) have made a contract with NSS:

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

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

Category Four: Election Expenses

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

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of NSS.

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

Category Six: Interest in Shares and Securities

4.20 I have a registerable interest where:

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

Category Seven: Gifts and Hospitality

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

Category Eight: Non-Financial Interests

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

Category Nine: Close Family Members

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

SECTION 5: DECLARATION OF INTERESTS

Stage 1: Connection

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

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

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

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by NSS as a representative of NSS, unless:

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

Stage 2: Interest

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

Stage 3: Participation

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

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

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

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

SECTION 6: LOBBYING AND ACCESS

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

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

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

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

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

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

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

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

6.8 I will not accept any paid work:

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

ANNEX A: BREACHES OF THE CODE

Introduction

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

Investigation of Complaints

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

Hearings

8. On receipt of a report from the ESC, the Standards Commission can choose to:
 - Do nothing;
 - Direct the ESC to carry out further investigations; or
 - Hold a Hearing.
9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body’s Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of

the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

Sanctions

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

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

Interim Suspensions

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

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

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

ANNEX B: DEFINITIONS

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

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

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

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

“Confidential Information” includes:

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

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

“Employee” includes individuals employed:

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

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

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

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

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

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

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

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

“Undertaking” means:

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

NSS Board and Committees Meeting Dates 2023-2024

BOARD MEETINGS

Friday 30th June 2023

Friday 29th September 2023

Friday 15th December 2023

Thursday 28th March 2024

AUDIT AND RISK COMMITTEE

Wednesday 17th May 2023

Thursday 15th June 2023

Monday 26th June 2023

Tuesday 12th September 2023

Wednesday 6th December 2023

Thursday 14th March 2024

CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE

Thursday 1st June 2023

Thursday 7th September 2023

Thursday 30th November 2023

Thursday 29th February 2024

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE

Wednesday 31st May 2023

Wednesday 30th August 2023

Wednesday 8th November 2023

Wednesday 28th February 2024

STAFF GOVERNANCE COMMITTEE

Tuesday 30th May 2023

Thursday 10th August 2023

Thursday 9th November 2023

Thursday 8th February 2024

REMUNERATION AND SUCCESSION PLANNING COMMITTEE

Thursday, 22nd June 2023

Tuesday, 28th November 2023

Wednesday, 26th March 2024

NSS BOARD

CHAIR	Keith Redpath, NSS Chair
VICE-CHAIR	Julie Burgess, Non-Executive Director
MEMBERS	John Deffenbaugh, Non-Executive Director Alison Rooney, Non-Executive Director Arturo Langa, Non-Executive Director Lisa Blackett, Non-Executive Director Gordon Greenhill, Non-Executive Director Beth Lawton, Non-Executive Director Ian Cant, Employee Director Mary Morgan, Chief Executive Carolyn Low, Director of Finance Lorna Ramsay, Medical Director

NSS BOARD COMMITTEES

AUDIT & RISK COMMITTEE

CHAIR	Julie Burgess, Non-Executive Director
VICE-CHAIR	Beth Lawton, Non-Executive Director
MEMBERS	John Deffenbaugh, Non-Executive Director Gordon Greenhill, Non-Executive Director Arturo Langa, Non-Executive Director Alison Rooney, Non-Executive Director

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE

CHAIR	Gordon Greenhill, Non-Executive Director
VICE-CHAIR	Beth Lawton, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Julie Burgess, Non-Executive Director Lisa Blackett, Non-Executive Director Ian Cant, Non-Executive Director

REMUNERATION AND SUCCESSION PLANNING COMMITTEE

CHAIR	Ian Cant, Employee Director
VICE-CHAIR	Lisa Blackett, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Julie Burgess, Non-Executive Director Alison Rooney, Non-Executive Director John Deffenbaugh, Non-Executive Director

CLINICAL GOVERNANCE COMMITTEE

CHAIR	Alison Rooney, Non-Executive Director
VICE-CHAIR	Arturo Langa, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Gordon Greenhill, Non-Executive Director Beth Lawton Non-Executive Director Lisa Blackett, Non-Executive Director

STAFF GOVERNANCE COMMITTEE

CHAIR	Lisa Blackett, Non-Executive Director
VICE -CHAIR	John Deffenbaugh, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Ian Cant, Employee Director Arturo Langa, Non-Executive Director Beth Lawton, Non-Executive Director Trade Union Representatives (4)