



Standing Orders

FOR THE PATIENT AND CLIENT COUNCIL (The PCC)

1st April 2009

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1. Foreword

The PCC needs to have Standing Orders (SOs) and Schedules on:

- Powers reserved to the PCC Board and
- Powers delegated by the PCC Board

The Standing Orders reserved and delegated powers and Standing Financial Instructions provide a comprehensive business framework for the PCC.

These documents fulfil the dual role of protecting the PCC's interests (ensuring, for example, that all transactions maximise the benefit to the PCC) and protecting staff from any possible accusation that they have acted less than properly (provided of course that staff have followed the correct procedures outlined in the relevant documents).

All Non-Executive Directors and all members of staff shall be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions required to comply fully with the regulations.

The PCC is committed to conducting its business and its meetings as publicly and openly as possible. It is intended that people shall be able to know about the services provided in the PCC's area and, particularly, be able to contribute to discussion about changes which may affect them or their dependents.

The PCC is required to comply with all existing Departmental Circulars, Regulations and Legislation insofar as they impact upon the PCCs functions, activities and conduct.

The Standing Orders and Standing Financial Instructions were approved by the PCC Board at its meeting on 1st April 2009, they were subsequently approved by the Department of Health, Social Services and Public Safety on _____.

Chair

Chief Executive

Dated _____

2. Introduction - Contents

2.1 Statutory Framework

2.2 Health & Personal Services Framework

2.3 Financial Performance Framework

2.4 Delegation of Powers

2.5 Interpretation of terms used

2.1 Statutory Framework

The Patient and Client Council (here and after referred to as the PCC) is the statutory body, which came into existence on 1 April 2009.

The Headquarters of the PCC will be established in the Antrim in 2009, in the interim the work will be undertaken in Lesley House, 25-27 Wellington Place, Belfast BT1 6GQ.

The PCC is governed by Statutory Instruments: HPSS (NI) Order 1972 (SI 1972/1265 NI14), the HPSS (NI) Order 1991 (SI 1991/194 NI1), the Audit and Accountability (NI) Order 2003 and the Health and Social Care (Reform) Act (Northern Ireland) 2009. Their provisions are incorporated in these Standing Orders.

The PCC has a range of statutory duties in the area of providing a strong, effective voice for users of health and social care services which encompasses independent contractors and publicly funded care home provision. These duties include representing the interests of the public; promoting the involvement of the public; providing assistance to individuals making or intending to make a complaint; and promoting the provision of advice/information about the design, commissioning and delivery of health and social care services. The PCC should address its statutory functions in relation to other HSC bodies set out in the legislation and maintain the highest standards of decision making. The detail of these duties is set out in various pieces of legislation, regulation or other guidance documents.

Functions of the Patient and Client Council

The Patient and Client Council has the following functions in relation to health and social care in Northern Ireland:

- (a) representing the interests of the public;
- (b) promoting involvement of the public;
- (c) providing assistance (by way of representation or otherwise) to individuals making or intending to make a complaint relating to health and social care for which a body to which this section applies is responsible;
- (d) promoting the provision by bodies to which this section applies of advice and information to the public about the design, commissioning and delivery of health and social care;
- (e) such other functions as may be prescribed.

In exercising its functions, the Patient and Client Council must

- (a) consult the public about matters relating to health and social care; and
- (b) report the views of those consulted to the Department (where it appears to the Council appropriate to do so) and to any other body to which this section applies appearing to have an interest in the subject matter of the consultation.

In exercising its functions the Patient and Client Council shall promote the involvement of the public in consultations or processes leading (or potentially leading) to decisions by a body to which this section applies which would or might affect (whether directly or not) the health and social well-being of the public.

In exercising its functions the Patient and Client Council shall arrange, to such extent as it considers necessary to meet all reasonable requirements, for the provision (by way of representation or otherwise) of assistance to individuals making or intending to make a complaint of a prescribed description.

The Patient and Client Council shall

(a) undertake research and conduct investigations into the best methods and practices for consulting the public about, and involving them in, matters relating to health and social care; and

(b) provide advice regarding those methods and practices to bodies to which this section applies.

The Patient and Client Council must publish any report(s) in such manner as the Department may direct.

2.2 Health and Social Care Frameworks

In addition to the statutory requirements, the Minister, through the Department of Health, Social Services and Public Safety (DHSSPS), issues instructions and guidance. Where appropriate these are incorporated within the PCC's Standing Orders or other Corporate Governance documentation. Principal examples are the

Codes of Conduct and Accountability and the HPSS Code of Practice on Openness.

The Code of Accountability requires the Board of the PCC (Board) to adopt Standing Orders (SOs) for the regulation of its proceedings and business and also to adopt Standing Financial Instructions (SFIs) as an integral part of SOs setting out the financial responsibilities of budget-holders and individuals. Additionally it specifies that the PCC Board shall draw up a Schedule of Powers Reserved to the Board, and a Scheme of Delegation to enable responsibility to be clearly delegated to Senior Executives. The Code further requires the establishment of Audit and Remuneration Committees with formally agreed terms of reference.

The Code of Conduct draws attention to the public service values required by all staff and specifically defines measures to deal with possible conflicts of interest of Board members, and makes various requirements concerning such possible conflicts of interest of members.

The Code of Practice on Openness in the HPSS sets out the requirements for public access to information on the HPSS and for the conduct of the Board's meetings. The PCC is required to ensure appropriate compliance with the Freedom of Information Act (2000).

2.3 Financial Performance Framework

The PCC Board has a number of financial targets and policies within which it is obliged to operate. These are as follows:

- To break even on its Income and Expenditure Account year on year and to maintain its Net Current Assets;
- To maintain annual Corporate Plan activity costs at or below limits set by the Department.
- To stay within its cash limit for the year;
- To ensure financial stability for the PCC;
- To operate within the Resource Limits, both Capital and Revenue set by the Department; and
- To comply with the “CBI Better Payments Practice Code” which advocates;
 - Explaining payment procedures to suppliers;
 - Agreeing payment terms at the outset and sticking to them;
 - Paying bills in accordance with agreed terms, or as agreed by law;
 - Telling suppliers without delay when an invoice is contested and
 - Settling quickly when a contested invoice gets a satisfactory response.

The code requires payment to be made within 10 days of the receipt of goods or valid invoice.

2.4 Delegation of Powers

Under the Standing Orders relating to the Arrangements for the Exercise of Functions of the PCC Board by Delegation (SO.4), the Board is given powers as follows:

"Subject to such directions as may be given by the Department of Health, Social Services and Public Safety, the Board may make arrangements for the exercise, on behalf of the PCC, of any of its functions by a Committee or sub-Committee appointed by virtue of SO 5.1 below, or by an officer of the Board, in each case subject to such restrictions and conditions as the Board thinks fit."

Delegated Powers are covered in separate sections of this document entitled Powers Reserved to the PCC Board (SO.3) and Powers Delegated by the PCC Board (SO.4).

2.5 Interpretation

Save as permitted by law, at any meeting the Chair of the PCC Board shall be the final authority on the interpretation of Standing Orders (on which he/she shall be advised by the Chief Executive and/or Secretary to the PCC Board.)

Any expression to which a meaning is given in the Health and Personal Social Services Orders of 1972 or 1991 and the Health and Social Care (Reform) Act (Northern Ireland) 2009) shall have the same meaning in this interpretation and in addition:

"Accounting Officer" shall be the Chief Executive. He/she shall be responsible and accountable for funds entrusted to the PCC Board. He/she shall be responsible for ensuring the proper stewardship of public funds and assets.

"Advocacy" shall mean in its broadest terms acting with or on behalf of service users and communities so that they may be heard and have their concerns taken account of.

"PCC Board" shall mean the Chair, and Non-Executive (or non-officer) members, appointed by the Minister with responsibility for Health and Social Care.

"BSO" means the Business Services Organisation;

"Budget" means a resource, expressed in financial terms, approved by the PCC Board for the purpose of carrying out, for a specific period, any or all of the functions of the PCC Board.

"Chair" is the person appointed by the Minister to lead the PCC Board and to ensure that it successfully discharges its responsibility for the PCC as a whole. The expression the 'Chair of the PCC Board' shall be deemed to include the member of the PCC Board deputising for the Chair if he/she is absent from the meeting or is otherwise unavailable.

"Chief Executive" means the chief officer of the PCC.

"Complainants Support" means providing advice, advocacy and assistance to people who wish to complain about any aspect of care or treatment, or about issues relating to the provision of health and social services.

"Contracting and procurement" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

"Committee" shall mean a Committee created by the PCC Board either for its own good governance or by Departmental direction or by legislation.

"Committee members" shall be persons formally appointed by the PCC Board to sit on or to chair specific Committees.

"Corporate plan" sets out the PCC's annual work plan to ensure that it is fit for purpose, meets its statutory and legislative requirements and gives account to the Department and the public on the work that it undertakes.

"Department" means the Department of Health, Social Services and Public Safety (DHSSPS). The term Department does appear as part of the title of other Government organisations and in these instances the title is given in full

"Gathering public and patient views" means using Personal and Public Involvement (PPI) methodology to engage with patients and the public about their need for and experience of Health and Social Care Service provision.

"Head of Development and Corporate Services and Head of Operations" are the second level posts in the PCC headquarters. "Area Managers" are the third level officers responsible for the local offices.

"Local Advisory Committees" means the 5 local Committees associated with the local PCC offices.

"Member" shall mean non-executive Director of the PCC Board as appointed under HPSS (NI) Order 1972 as amended by the HPSS (NI) Order 1991 and does not include its Chair.

"Nominated officer" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

"Officer" shall mean employee of the PCC. In certain circumstances, officer may include a person who is employed by another HSC organisation or by Third Party contracted to or by the

Organisation who carries out functions on behalf of the Organisation.

“Personal and Public Involvement (PPI)” means effective service user and public involvement as central to the delivery of safe, high quality services and as such is a key element of clinical and social care governance which provides the framework for quality improvement and assurance of the quality of services commissioned or provided by HSC organisations

“Power of entry” means any power of entry conferred by regulations under the Health and Social Care (Reform) Act (Northern Ireland) 2009. This is exercisable only so far as is necessary for the purpose of enabling the Patient and Client Council to exercise its functions, and is subject to such conditions as may be prescribed.

“Public” in respect of PCC Board meetings means any person who is not a PCC Board member or a member of staff servicing the PCC Board meeting and shall include any person with the status of observer.

“Public” in respect of the PCC engagement programme means any individual, group or community of people, however selected.

“Secretary” means a person who is independent of the PCC Board’s decision making process and who shall be appointed, by the PCC Board, to have responsibility for the administration of the Board of the PCC (See also first para 2.5.)

"SFIs" is an abbreviation for Standing Financial Instructions, Section 9 of these Standing Orders.

"Senior Management Team (SMT)" means the Chief Executive and Head of Development and Corporate Services and Head of Operations.

"SOs" is an abbreviation for these Standing Orders.

"Sub-Committee" means the Committee of a Committee created by the PCC Board.

"Vice-Chair" means a non-officer member who may be appointed by the PCC Board to take on the Chair's duties if the Chair is absent for any reason.

3. Powers Reserved to the PCC Board - Contents

3.1 Introduction

3.2 Key Functions of the PCC Board

3.2.1 Set Strategic Direction

3.2.2 Monitoring Performance

3.2.3 Financial Stewardship

3.2.4 Corporate Governance & Personal Behaviour and Conduct

3.2.5 Appointing, appraising Senior Officers and non-Executive Directors

3.2.6 Giving account to Local Communities

3.2.7 Additional Functions

3.1 Introduction

The matters reserved to the Board of each HSC Organisation are derived from the **Code of Conduct and Code of Accountability** issued by the Health and Personal Social Services Management Executive and the guidance on implementation given in Circular HSS (PDD) 8/94 under cover of a letter dated 15 November 1994. The Codes of Conduct and Accountability apply to the Board of the PCC created through the Health and Social Care (Reform) (Northern Ireland) Act 2009.

Section 6 of the Code directs that:

"... Boards have six key functions for which they are held accountable by the Department of Health, Social Services and Public Safety on behalf of the Minister:

- to set the *strategic direction* of the organisation within the overall policies and priorities of the HPSS, define its annual and longer term objectives and agree plans to achieve them;
- to oversee the delivery of planned results by *monitoring performance* against objectives and ensuring corrective action is taken as necessary;
- to ensure effective *financial stewardship* through value for money, financial control and financial planning and strategy;
- to ensure that high standards of *corporate governance* and personal behaviour are maintained in the conduct of the business of the whole organisation;
- to put in place systems to appoint, appraise senior officers and appraise non-executive Directors (adapted for PCC); and

- to ensure that there is *effective engagement between the organisation and the local communities* on its plans and performance and that these are influenced by and responsive to community needs

3.2 Key Functions of Board of Directors of the PCC

The attached 'Schedule of Powers Reserved to the PCC Board' is sub-divided to correspond with the six key functions specified above.

These matters are to be regarded as a guideline to the minimum requirement and shall not be interpreted so as to exclude any other issues which it might be appropriate, because of their exceptional nature, to bring to the PCC Board.

The Chair, in consultation with the Chief Executive, shall determine whether other issues outwith the following schedules of reserved powers shall be brought to the PCC Board for consideration.

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.1
Set Strategic Direction
 To set the *strategic direction* of the PCC within the overall policies and priorities of the HSC, define its annual and longer term objectives and agree plans to achieve them.

	ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Corporate Plan	Approve the plan	Mid November or as determined	Chief Executive
	PCC Financial Plan	Approve recurrent expenditure proposals annually	By 31 March each year consistent with DHSSPS principles of 'Promoting Financial Stability'	Chief Executive
	Other Departmental/HSC proposals which relate to Health and Social Care	Approve response to consultative proposals	As determined by consultative documents	Chief Executive
	Approval of New / Revised PCC Board Policy, as appropriate.	Consider the implications of any proposals to introduce new or revised policy including the identification of any significant financial risk.	Affordability within Department expenditure limits and other statutory controls;	Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.2
Monitoring Performance
 To oversee the delivery of planned results by *monitoring performance* against objectives and ensuring corrective action is taken as necessary.

	ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Operations Plan performance	Monitor performance against agreed operations plan and ensure corrective action is taken	Periodic reports to the Board of the PCC	Chief Executive
	Service agreement performance	Monitor performance of providers against service agreements, ensure corrective action is taken and ensure appropriate action plans are pursued with providers	Periodic reports supplemented by additional monitoring of specific issues on an as needs basis.	Chief Executive
	Staffing Levels	Monitor staffing levels and approve submission to Equality Commission.	Submission of three-yearly return	Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.3
Financial Stewardship
 To ensure effective *financial stewardship* through value for money, financial control and financial planning and strategy.

	ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Financial Performance Framework	To ensure that the PCC Board achieves its financial performance targets.	As determined by the Department.	Chief Executive
	Annual Financial Plan	Approve plan within Departmental expenditure limits	By 31 March each year	Chief Executive
	Monitoring	Quarterly monitoring reports covering: <ul style="list-style-type: none"> • Development & Corporate Services department • Operations department 	Quarterly	Chief Executive

SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.3
Financial Stewardship.
 Governance and Audit Arrangements

ITEMS		RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Annual Assurance on Internal Control	Receive assurance on adequacy and effectiveness of system of internal control	From Governance and Audit Committee July of each year	Chief Executive
	Statement on Internal Control	Approve Annual Risk Management Plan and Report	Recommended for approval by Governance and Audit Committee in time to meet Department reporting timetable.	Chief Executive
	Annual Accounts (and supporting Financial excerpt in the Annual Report)	Approve for submission to Department and for inclusion in Annual Report	Recommended for approval by Governance and Audit Committee. To include detailed scrutiny of reconciliation to PCC Board approved Financial Plan – By mid August each year for the previous financial year	Chief Executive
	External Audit Management Letter	Consider Management Letter recommendations and approve requisite action plan and response to External Auditor	By end October each year following recommendation by Governance and Audit Committee	Chief Executive
	Fraud Prevention and Detection.	Receive assurance from the Governance and Audit Committee	Annual report to Committee	Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.4
Corporate Governance & Personal Behaviour and Conduct
 To ensure that high standards of *corporate governance* and personal behaviour are maintained in the conduct of the business of the whole organisation.

ITEMS		RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Schedule of Matters Reserved to the PCC Board	Approve new or revised versions	Following consideration & approval by Governance and Audit Committee	Chair Chief Executive
	Scheme of Delegation of Powers	Approve new or revised versions	Following consideration & approval by Governance and Audit Committee	Chair Chief Executive
	Standing Financial Instructions	Approve new or revised versions	Following consideration & approval by Governance and Audit Committee	Chair Chief Executive
	Conduct of PCC Board Meetings	Approve new or revised versions	If / When required or revised	Chair Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
PCC Board Committees	Approve establishment, terms of reference, membership & reporting arrangements of PCC Board Committees: <ul style="list-style-type: none"> • Governance and Audit Committee • Local Advisory Committees • Others as required or directed 	Following recommendation for approval by Governance and Audit Committee & for submission to Department for final approval	Chair Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
PCC Board Sub Committees (defined as a committee of a Committee)	Approve establishment, terms of reference, membership & reporting arrangements of PCC Board Sub Committees:	Following recommendation for approval by Governance and Audit Committee & for submission to Department for final approval	Chair Chief Executive
Advisory and Other Committees	There is a range of committees that advise the PCC Board. These may be set up by statute or regulation but are not delegated a power reserved to the PCC Board.	Appropriate advice notified to PCC Board.	Chair Chief Executive
Declaration of Chair and Members' Interests	PCC Board Members' Interests to be declared and recorded in minutes	Within 4 weeks of a change or addition; to be entered in Register available for scrutiny by public in PCC Board offices or Board meetings	Chair & PCC Board Members

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.4 Corporate Governance & Personal Behaviour and Conduct Code of Conduct and Code of Accountability				
ITEMS		RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Implementation	Approve measures to ensure that all Directors and staff are aware of the public service values which must underpin their conduct:	All Directors to attend DHSSPS On Board training All staff to have induction training including public service values module	Chief Executive
	Concerns of Staff Others	Ensure arrangements are in place to guarantee that concerns expressed by staff & others are fully investigated & acted upon as appropriate and that all staff are treated with respect.	All staff to have induction training including statutory and mandatory training	Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.5
To put in place systems to appoint, appraise senior officers and appraise non-executive Directors.

ITEMS		RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	Arrangements for appointment of Senior Officers	Ensure that proper arrangements are in place for the composition of interview panels for the appointment Senior Officers.	Panel composition in accordance PCC selection and recruitment policies.	Chief Executive
	Appraisal of non-executive Directors	Ensure annual appraisal	Annually	Chair

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.6
Giving Account to Local Communities
 To ensure that there is *effective engagement between the organisation and the local communities* on its plans and performance and that these are influenced by and responsive to community needs

	ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON
	PCC Board Meetings	To hold meetings in public throughout Northern Ireland	Monthly or as agreed by PCC Board. Only exceptional categories of items to be considered in a section of the meeting not open to the public	Chair
	Consultation	Invite & receive views from the Public on proposals for strategic change	Consistent with Departmental guidance on consultation and processes	Chair Chief Executive
	Annual Report	Approve report as being responsive to community needs	To be signed by Chair and Chief Executive & submitted to Department by (submit date) following the end of the year to which the report relates	Chair Chief Executive

STANDING ORDERS
SCHEDULE OF POWERS RESERVED TO THE BOARD OF DIRECTORS OF THE PCC

3.2.7
Additional Functions

These will need to be determined by the PCC and may arise from legislation, litigation or other developments.

ITEMS	RESPONSIBILITY/TASK	CONTROLS	LEAD PERSON

See John's note

4. Powers Delegated by the PCC Board - Contents

4.1 Arrangements for Delegation by the PCC Board

4.1.1 Introduction

4.1.2 Delegation to Committees

4.1.3 Delegation to Officers

4.1.4 Decision Tree – Flowchart

4.2 Chief Executive's Scheme of Delegation

4.3 Administrative Schemes of Delegation

4.3.1 Custody of Seal

4.3.2 Sealing of Documents

4.3.3 Register of Sealing

4.3.4 Signature of Documents

4.3.5 Delegation of Budgets for PCC Board Administration

4.3.6 Procedure for Delegating Power to Authorise & Approve Expenditure

4.3.7 Procedure for Quotations and Tendering

4.3.8 Use of Management Consultants

4.4 Financial Schemes of Delegation

4.4.1 Procedure for Delegation of Budgets

4.4.2 Authorisation & Approval of Payroll Expenditure

4.4.3 Authorisation & Approval of Non Payroll Expenditure

4.4.4 Authority to Initiate and Approve Cash Advances

4.1 Arrangements for Delegation by the PCC Board

4.1.1 Introduction

Subject to such directions as may be given by the Department of Health, Social Services and Public Safety, the PCC Board may make arrangements for the exercise, on behalf of the PCC Board, of any of its functions by a Committee or sub-Committee appointed by virtue of SO 5.1 or by an officer of the PCC, or by another officer, in each case subject to such restrictions and conditions as the PCC Board thinks fit.

The HPSS (NI) Order 1972 and the HPSS (NI) Orders 1991 and 1994 and the Health and Social Care Reform Act (Northern Ireland) 2009 allow for functions of the PCC to be carried out on behalf of the PCC Board by other people and bodies, by a Committee, or officer of the PCC, or another HSC Board.

Where functions are delegated, this means that although the carrying out of the function (i.e. day to day running) is delegated to another body, the PCC retains the responsibility for the service.

4.1.2 Delegation to Committees

The PCC Board shall agree any amendment to the delegation of executive powers to be exercised by Committees, or sub-Committees, which it has formally constituted, as part of the annual review of Standing Orders, or as required. The PCC Board shall approve the constitution and terms of reference of these Committees, or sub-Committees, and their specific executive powers.

4.1.3 Delegation to Officers

The Chief Executive shall exercise those functions of the PCC Board, which are not reserved to the PCC Board or delegated to a Committee or sub-Committee on behalf of the PCC Board. The Chief Executive shall determine which functions he/she shall perform personally and shall delegate to nominated officers the remaining functions for which he/she shall still retain accountability to the PCC Board.

The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the PCC Board, subject to any amendment agreed during discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation, which shall be considered and approved by the PCC Board as indicated above.

The arrangements made by the PCC Board as set out in the "Powers Reserved to the PCC Board and Powers Delegated by the PCC Board" (Sections 3 & 4) shall have effect as if incorporated in these Standing Orders.

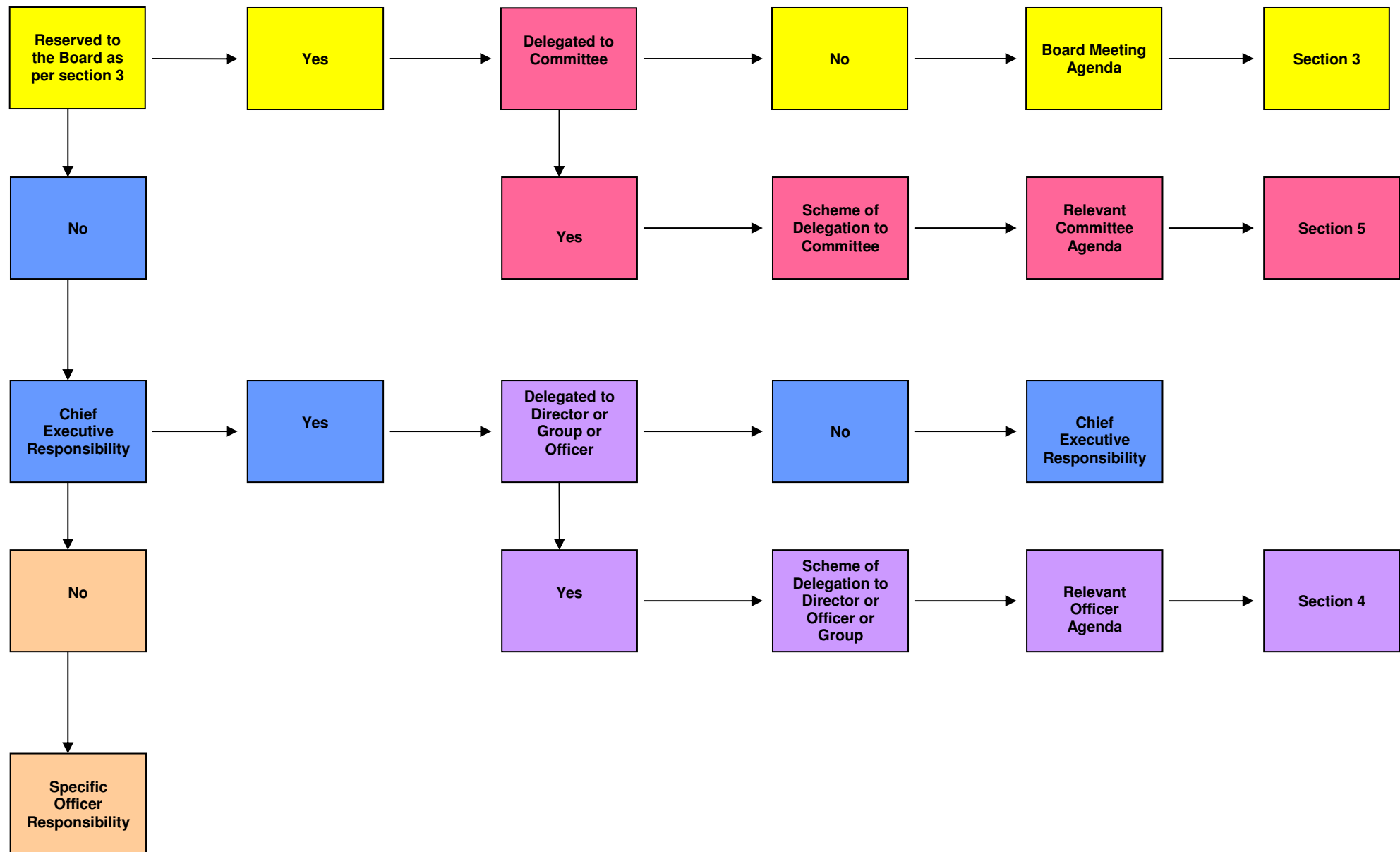
4.1.4 Decision Tree - Flowchart

The flowchart overleaf seeks to show the decision tree for the powers and responsibilities that are:

- Reserved to the PCC Board
- Delegated by the PCC Board to committees
- Exercised by the Chief Executive for which he/she is personally accountable to the PCC Board

- Delegated by the Chief Executive to nominated officers
- Specific Officer responsibility.

4.1.4 Decision Tree Flowchart



4.2 Chief Executive's Scheme of Delegation

The Chief Executive will delegate specific areas of the PCC Board's responsibility which are not reserved to the PCC Board and may be delegated to an Officer. The Scheme of Delegation is in Appendix 1 and follows the purple section of the Decision Tree Flowchart

4.3 Administrative Scheme of Delegation

4.3.1 Custody of Seal

The Common Seal of the PCC shall be kept by the Chief Executive [or Secretary to the PCC Board] in a secure place.

4.3.2 Sealing of Documents

The Seal of the PCC shall not be fixed to any documents unless the sealing has been authorised by a resolution of the PCC Board or of a Committee, thereof or where the PCC Board has delegated its powers. Before any building, engineering, property or capital document is sealed it must be approved and signed by the Head of Development and Corporate Services (or an officer nominated by him/her) and authorised and countersigned by the Chief Executive (or an officer nominated by him/her who shall not be within the originating directorate).

4.3.3 Register of Sealing

An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who

attested the seal. A report of all sealings shall be made to the PCC Board at least quarterly as a standard agenda item, supplemented by additional reporting as required. (The report shall contain details of the seal number, the description of the document and date of sealing).

4.3.4 Signature of Documents

Where the signature of any document shall be a necessary step in legal proceedings involving the PCC, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the PCC Board shall have given the necessary authority to some other person for the purpose of such proceedings.

The Chief Executive or nominated officers shall be authorised, by resolution of the PCC Board, to sign on behalf of the PCC Board any agreement or other document not requested to be executed as a deed, the subject matter of which has been approved by the PCC Board or any Committee, sub-Committee or standing Committee thereof or where the PCC Board has delegated its powers on its behalf.

The Administrative Schemes of Delegation for Sections 4.3.5 – 4.3.8 are in Appendix 2 and follow the blue section in the Decision Tree Flowchart.

4.3.5 Delegation of Budgets for PCC Board Administration

4.3.6 Procedure for Delegating Power to Authorise & Approve Expenditure

4.3.7 Procedure for Quotations and Tendering

4.3.8 Use of Management Consultants

4.4 Financial Schemes of Delegation.

The Financial Schemes of Delegation for Sections 4.4.1 – 4.4.4 are in Appendix 3 and follow the blue section in the Decision Tree Flowchart.

4.4.1 Procedure for Delegation of Budgets

4.4.2 Authorisation & Approval of Payroll Expenditure

4.4.3 Authorisation & Approval of Non Payroll Expenditure

4.4.4 Authority to Initiate and Approve Cash Advance

5. PCC Board Committees - Contents

The arrangements for Powers Delegated to Committees on behalf of the PCC Board are outlined in the pink section of the Decision Tree Flowchart.

5.1 Appointment of Committees

5.2 Committees

5.1 Appointment of Committees

Subject to such directions as may be given by the Minister, the PCC Board may and, if directed by the Department, shall appoint Committees of the PCC Board, consisting, in either case, wholly or partly of the Chair and members of the PCC Board or wholly of persons who are not members of the PCC Board.

A Committee appointed under this Standing Order may, subject to such directions as may be given by the Minister or the PCC Board appoint sub-Committees consisting wholly or partly of members of the Committee (whether or not they are members of the PCC Board) or wholly of persons who are not members of the PCC Board or the Committee of the PCC Board.

The Standing Orders of the PCC Board, as far as they are applicable, shall apply, as appropriate, to meetings of any Committees established by the PCC Board. Any deviation to this shall be approved in advance by the PCC Board.

Each Committee shall have such terms of reference and powers, membership and be subject to such reporting back arrangements as the PCC Board shall decide. Such terms of reference shall have effect as if incorporated into the Standing Orders.

Where Committees are authorised to establish sub-Committees they may not delegate executive powers to the sub-Committee unless expressly authorised by the PCC Board.

The PCC Board shall approve the appointments to each of the Committees, which it has formally constituted. Where the PCC Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a Committee the terms of such appointment shall be within the powers of the PCC Board as defined by the Minister. The PCC Board shall define the powers of such appointees and shall agree the terms of any associated remuneration.

Where the PCC Board is required to appoint persons to a Committee and/or to undertake statutory functions as required by the Minister, and where such appointments are to operate independently of the PCC Board such appointment shall be made in accordance with the regulations laid down by the Minister.

5.2 Committees

PCC Board Committees

Refer to Appendix

- Governance and Audit Committee 4
- Local Advisory Committees 5

Sub Committees

- To be determined

6. Conduct of PCC Board Business - Contents

6.1 Constitution and Remit of PCC Board

6.1.1 Constitution

6.1.2 Remit

6.1.3 Composition of the PCC Board

6.1.4 The PCC's Senior Management Team

6.2 Procedures for Meetings

6.1 Constitution and Remit of PCC

6.1.1 Constitution

All business shall be conducted in the name of the PCC.

All funds received in trust shall be held in the name of the PCC Board as corporate trustee of PCC.

6.1.2 Remit

The powers of the PCC Board established under statutory instruments shall be exercised by the PCC Board meeting in public session except as otherwise provided for in Standing Order 4.

The PCC Board shall define and regularly review the functions it exercises on behalf of the Minister.

The PCC Board has resolved that the PCC Board may exercise certain powers and decisions only in formal session. These powers and decisions are set out in "Powers Reserved to the PCC Board" (Section 3) and have effect as if incorporated into the Standing Orders.

6.1.3 Composition of the PCC Board

The Department of Health, Social Services and Public Safety determines the composition of the PCC Board which is:

The Chair of the PCC Board, and

5 Lay Members

1 Trade Union Representative Member

5 Local Government Representative Members

5 Voluntary and Community Members

(Chief Executive, Head of Development and Corporate Services and Head of Operations in attendance at Board meetings)

6.1.4 The PCC Board's **Senior Management Team** comprises:

a) The Chief Executive

b) The Head of Operations and the Head of Development and Corporate Services

6.2 Procedures for Meetings – Contents

- 6.2.1 Code of Practice on Openness
- 6.2.2 Open PCC Board Meetings
- 6.2.3 Conduct of Meetings
- 6.2.4 Calling of Meetings
- 6.2.5 Setting Agenda
- 6.2.6 Petitions
- 6.2.7 Notice of Meetings
- 6.2.8 Notice of Motion
- 6.2.9 Deputations & Speaking Rights
- 6.2.10 Admission of the Public and media
- 6.2.11 Attendance of other HSC organisation representatives
- 6.2.12 Chair of Meeting
- 6.2.13 Quorum
- 6.2.14 Record of attendance
- 6.2.15 Confidential Section of meetings
- 6.2.16 Motions
- 6.2.17 Voting
- 6.2.18 Suspension of Standing Orders
- 6.2.19 Minutes
- 6.2.20 Committee Minutes
- 6.2.21 Variation & Amendment of Standing Orders
- 6.2.22 Appointments
- 6.2.23 Potential Conflict of Interests

6.2.1 Code of Practice on Openness

The PCC Board shall pursue the aims of the **Code of Practice on Openness**:

“...to ensure that people may easily obtain an understanding of all services that are provided by the HPSS and, particularly, changes to those services that may affect them or their families”.

The PCC Board shall accept the strong duty imposed on it by the Code to be positive in providing access to information; the presumption shall be in favour of openness and transparency in all its proceedings.

6.2.2 Open PCC Board Meetings

The PCC Board shall hold all its PCC Board meetings in public, although, in exceptional circumstances (SO.6.2.15), certain issues may be taken in a confidential section of the meeting. The agenda for the public part of these meetings shall always be provided to the press and on request to members of the public in advance of the meetings. Notice of meetings and agenda shall be posted on the PCC web site. Public meetings shall be held in easily accessible venues across the region and at times when the public are able to attend. (Code of Practice on Openness; Annex A, para 3.1)

6.2.3 Conduct of Meetings

Proceedings shall be in accordance with section 54 (1) and (2) of the Health and Social Services Act (Northern Ireland) 2001 which provides that sections 23 to 27 of the Local Government Act (Northern Ireland) 1972 (c9) shall also apply. This is specified in the Guidance on

Implementation of the Code of Practice on Openness, Annex A para. 2.3.

The Code of Practice on Openness is not statutory, it does not set aside restrictions on disclosure, which are based in law and decisions shall rest on judgement and discretion. (See Guidance on implementation of the Code of Practice on Openness, para 9.3).

6.2.4 Calling of Meetings

Ordinary meetings of the PCC Board shall be held at such times and places as the PCC Board may determine although, as good practice, some meetings may be held outside normal working hours to facilitate wider attendance by the general public. The PCC Board shall pay particular attention to the commitments within its Equality Scheme when calling meetings.

The Chair may call a meeting of the PCC Board for a special purpose (including in the event of an emergency) at any time.

The notice, agenda and papers for such a meeting shall be conveyed to members and the public as far in advance of the meeting as the circumstances shall allow. Notice of meetings and agenda shall be posted on the PCC web site.

If requested by at least one third of the whole number of members, the Chair shall call a meeting of the PCC Board for a special purpose. If the Chair refuses to call a meeting or fails to do so within seven days after such a request, such one third or more members may forthwith call a meeting.

6.2.5 Setting the Agenda

The PCC Board may determine or may be directed to ensure that certain matters shall appear on every agenda for a meeting of the PCC Board. If so determined these matters shall be listed as an appendix to the Standing Orders.

A member desiring a matter to be included on an agenda shall normally make his/her request in writing to the Chair at least 14 clear days before the meeting. The request may include appropriate supporting information and a proposed motion. It may also note any grounds, which would necessitate the item of business being dealt with in a confidential section of the meeting. Requests made less than 14 days before a meeting may be included on the agenda at the discretion of the Chair.

Agendas shall be sent to members 6 clear days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but shall certainly be despatched no later than 3 clear days beforehand, except in an emergency.

Before each meeting of the PCC Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be provided and advertised in the press at least 5 clear days before the meeting. On request from the press or a member of the public, a copy of the agenda as circulated to the PCC Board shall be supplied with the omission of any items during which the meeting is not likely to be open to the public.

6.2.6 Petitions

Where the PCC Board has received a petition the Chair shall include the petition as an item for the agenda of the next meeting, providing it is appropriate for consideration by the PCC Board. The Chair shall advise the meeting of any petitions that are not granted and the grounds for refusal.

6.2.7 Notice of Meetings

Before each meeting of the PCC Board, a notice of the meeting, specifying the business proposed to be transacted at it, and any motions relating to it, and signed by the Chair or by an officer of the PCC Board authorised by the Chair to sign on his/her behalf shall be delivered to each member and to everyone on the PCC Board distribution list and posted on the web site at least 12 clear days before the meeting.

Absence of service of the notice on any member shall not affect the validity of a meeting. Failure to serve such a notice on more than three members shall invalidate the meeting. A notice shall be presumed to have been served one day after posting.

In the case of a meeting called by members in default of the Chair, those members shall sign the notice and no business shall be transacted at the meeting other than that specified in the notice.

6.2.8 Notices of Motion

With reference to matters included in the notice of meetings, a member of the PCC Board may amend or propose a motion in writing at least 10 clear days before the meeting to the Chair. All notices so received, shall be inserted in the agenda for the meeting subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice, on any business mentioned on the agenda.

6.2.9 Deputations and Speaking Rights

Deputations from any meeting, association, public body or an individual may be permitted to address a public meeting of the PCC Board provided notice of the intended deputation and a summary of the subject matter is given to the PCC Board at least two clear days prior to the meeting and provided that the Chair of the PCC Board is in agreement. The specified notice may be waived at the discretion of the Chair. In normal circumstances this facility shall be confined to the making of a short statement or presentation from the members of the deputation and making a copy of the presentation available in advance of the meeting. The Chair shall determine the actual allotted time and if the deputation has sufficiently covered the issue.

6.2.9 Admission of the Public and Media

The PCC Board shall undertake the necessary arrangements in order to encourage and facilitate the public at open PCC Board meetings. Reasonable facilities shall be made available to enable representatives of the press and broadcasting media to report the meetings.

The Chair shall give such directions as he/she thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press and broadcasting media, such as to ensure that the PCC Board's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public shall be required to withdraw upon the PCC Board resolving as follows:

“That in the interests of public order the meeting adjourns for (the period to be specified) to enable the PCC Board to complete business without the presence of the public.”

Nothing in these Standing Orders shall require the PCC Board to allow members of the public or representatives of the press and broadcasting media to record proceedings in any manner whatsoever, other than in writing, or to make an oral report of proceedings as they take place from within the meeting, without prior agreement of the Chair.

6.2.11 Attendance of other HSC organisation representatives

Officers representing the HSCB, PHA, the BSO and HSC Trusts may be invited to attend and participate in meetings of the PCC Board.

6.2.12 Chair of Meeting

At any meeting of the PCC Board, the Chair, if present, shall preside. In the absence of the Chair a Vice Chair, if previously appointed, shall preside, if not previously appointed then such member (who is not also

an officer of the PCC Board) as the Chairman may nominate shall preside or if no such nomination has been made, such member as those members present shall choose, shall preside.

If the Chair is absent temporarily on the grounds of a declared conflict of interest such member as the members shall choose shall preside.

6.2.13 Quorum

No decisions may be taken at a meeting unless at least one-third of the whole number of the Chair and voting members appointed, are present. Members may receive items for information, which are included on the agenda, providing this is also recorded in the minutes.

If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest, he/she shall no longer count towards the quorum. If a quorum is then not available for the passing of a resolution on any matter, that matter may be discussed further but not voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting.

6.2.14 Record of Attendance

A record of the names of the Chair, and members present at the meeting shall be noted in the minutes and, if necessary, the point at which they join, leave or resume their place at the meeting shall also be noted.

6.2.15 Confidential Section of Meetings

The PCC Board may by resolution exclude the public or representatives of the press or broadcasting media from a meeting (whether during the whole or part of the proceedings at the meeting) on one or more of the following grounds:

- a) by reason of the confidential nature of the business to be transacted at the meeting;
- b) when publicity would be prejudicial to the public interest;
- c) for such special reasons as may be specified in the resolution being reasons arising from the exceptional nature of the business to be transacted or of the proceedings at the meeting.

6.2.16 Motions

The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.

When a motion is under discussion or immediately prior to discussion it shall be open to a member to move:

- An amendment to the motion
- The adjournment of the discussion or the meeting
- That the meeting proceed to the next business (*)
- The appointment of an ad hoc Committee to deal with a specific item of business
- That the motion be now put (*)

- A motion resolving to exclude the public (including the press).

In the case of sub-paragraphs denoted by (*) above: to ensure objectivity, only a member who has not previously taken part in the debate may put motions.

No amendment to the motion shall be admitted if, in the opinion of the Chair of the meeting, the amendment negates the substance of the motion.

When an adjourned item of business is re-commenced or a meeting is reconvened, any provisions for deputations or speaking rights, not previously undertaken, or other arrangements shall be treated as though no interruption had occurred.

Withdrawal of Motion or Amendments.

The proposer may withdraw a motion or amendment once moved and seconded with the concurrence of the seconder and the consent of the Chair.

Motion to Rescind a Resolution

Notice of motion to amend or rescind any resolution (or the general substance of any resolution) that has been passed within the preceding 6 calendar months, shall bear the signature of the member who gives it and also the signature of 4 other PCC Board members.

When any such motion has been disposed of by the PCC Board, it shall not be appropriate for any member other than the Chair to propose a motion to the same effect within 6 months, however the Chair may do so if he/she considers it appropriate.

Chair's Ruling

Statements of members made at meetings of the PCC Board shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy, regularity and any other matters shall be final.

6.2.17 Voting

Every item or question at a meeting shall be determined by the Chair seeking the general assent of voting members or the expression of a wish to proceed to a vote. A vote shall be determined by the majority of the votes of the Chair of the meeting and members present and voting on the question; in the case of the number of votes for and against a motion being equal, the Chair of the meeting shall have a second or casting vote.

All questions put to the vote shall, at the discretion of the Chair of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the members present so request.

If at least one third of the members present so request, the voting (other than by paper ballot) on any question may be recorded to show how each member present voted or abstained.

If a member so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).

In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.

Any officer in attendance at a meeting shall be recorded in the minutes.

6.2.18 Suspension of Standing Orders

Except where this would contravene any statutory provision or any direction made by the Department, one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the PCC Board are present, and that a majority of those present vote in favour of suspension.

A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.

A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and members of the PCC Board.

No formal business may be transacted while Standing Orders are suspended.

The Governance and Audit Committee shall review every decision to suspend Standing Orders.

6.2.19 Minutes

The Minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where the person presiding at it shall sign them.

No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

Minutes shall be circulated in accordance with members' wishes. Where providing a record of a public meeting the minutes shall be made available to the public upon request as required by Code of Practice on Openness in the HPSS and the Freedom of Information Act 2000.

6.2.20 Committee Minutes

The minutes of ALL PCC Board Committee meetings shall be brought to the PCC Board for information, in two stages:

- 1 The draft minutes shall be presented to the confidential section of the next PCC Board meeting following the meeting of the committee; and
- 2 The approved minutes shall be presented to the public PCC Board meeting immediately following the committee approval except where confidentiality needs to be expressly protected.

6.2.21 Variation and Amendment of Standing Orders

These Standing Orders shall be amended only if:

- a notice of motion under the appropriate Standing Order has been given; and
- at least two-thirds of the PCC Board members are present; and

- no fewer than half of the total of the PCC Board's members present vote in favour of the amendment; and
- the variation proposed does not contravene a statutory provision or direction made by the Department.

6.2.22 Appointments

Appointment of the Chair and Members, and Terms of Office

The legislative provisions governing the appointment of the Chair and members, and their terms of office, are contained in the Health and Social Care (Reform) Act (Northern Ireland) 2009. Non-Executive appointments are made in accordance with the Code of Practice, issued by the Commissioner for Public Appointments for Northern Ireland.

Appointment of Vice-Chair

Subject to the following, the Chair and members of the PCC Board may appoint one of their number, to be Vice-Chair, for such period, not exceeding the remainder of his/her term as a member of the PCC Board, as they may specify on appointing him/her.

Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions above.

If no Vice-Chair is available and the Chair is unable to conduct a PCC Board meeting, members shall appoint one from among the members present to act as Chair for that meeting.

If no meeting is scheduled or the Chair is not available and the Chief Executive needs to take advice on an urgent matter, the Chief Executive

may obtain the agreement of members to appoint one of their number as Chair for this purpose.

Where the Chair of the PCC Board has died or has ceased to hold office, or where he/she has been unable to perform his/her duties as Chair owing to illness, absence from Northern Ireland or any other cause, the Vice-Chair, if previously appointed, shall act as Chair until a new Chair is appointed or the existing Chair resumes his/her duties, as the case may be. If not previously appointed the PCC Board may appoint one of their number, who is not also an officer member of the PCC Board, to be Chair, for such period. References to the Chair in these Standing Orders shall, so long as there is no Chair able to perform his/her duties, be taken to include references to the Vice-Chair.

6.2.23 Potential Conflict of Interests

Subject to the following provisions of this Standing Order, if the Chair or a PCC Board member has any potential conflict of interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the PCC Board at which the contract or other matter is the subject of consideration, he/she shall, at the meeting, and as soon as practicable after its commencement, disclose the fact. It shall be disclosed in a manner that cannot be perceived to influence subsequent discussion or decision, and he/she shall withdraw from the meeting while the consideration or discussion of the contract or other matter and the vote is being taken.

In **exceptional circumstances** the individual who has declared a potential conflict of interest may be permitted to remain for the discussion where their expertise is specifically required to inform the

other members in their discussions. This expert advice shall be restricted to the giving of factual and objective information before withdrawing while the decision and vote is taken.

The Department may, subject to such exceptional conditions as the Department may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to be in the interests of the HPSS that the disability shall be removed

The PCC Board may exclude the Chair or a PCC Board member from a meeting of the PCC Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest, is under consideration.

Any remuneration, compensation or allowances payable for duties as the Chair or as a PCC Board member shall not be treated as a pecuniary interest for the purpose of this Standing Order.

For the purpose of this Standing Order the Chair or a PCC Board member shall be treated, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

- (a) he/she, or a nominee of his/hers, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in any other matter under consideration; or
- (b) he/she is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made

or who has a direct pecuniary interest in any other matter under consideration; and in the case of persons living together the interest of one partner shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.

The Chair or a PCC Board member shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:

- (i) of his/her membership of a company or other body, if he/she has no beneficial interest in any securities of that company or other body;
- (ii) of an interest of his as a person providing Family Health Services which cannot reasonably be regarded as an interest more substantial than that of others providing such of those services as he/she provides; or
- (iii) of an interest in any company, body or person with which he/she is connected as mentioned in Standing Orders above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a member in the consideration or discussion of or in voting on, any question with respect to that contract or matter.

Where the Chair or a PCC Board member has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and the total nominal value of those securities does not exceed £5,000 or one-

hundredth of the total nominal value of the issued share capital of the company body, whichever is the less, and if the share capital is of more than one class, the total nominal value of shares of any one class in which he/she has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class, this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it, without prejudice however to his/her duty to disclose his/her interest.

This Standing Order applies to a Committee or Sub-Committee as it applies to the PCC Board and applies to a member of any such Committee or Sub-Committee (whether or not he/she is also a member of the PCC Board) as it applies to a member of the PCC Board.

7. Code of Conduct – Contents

As the new HSC organisations develop they should ensure continuity in the application of the Code of Conduct both within the HSC organisation and across all other provider organisations.

- 7.1 Introduction
- 7.2 Public Service Values
- 7.3 General Principles
- 7.4 Public Service Values in Management
- 7.5 Public Business and Private Gain
- 7.6 Counter Fraud Policy
- 7.7 Hospitality
 - 7.7.1 Providing and Receiving Hospitality
- 7.8 Gifts
- 7.9 Sponsorship
- 7.10 Register of Hospitality, Gifts and Sponsorship
- 7.11 Declaration of Interests
- 7.12 Substance Abuse
- 7.13 Misuse of Internet Facilities
- 7.14 Staff Policies and Procedures
- 7.15 Raising Concerns at Work –“Whistleblowing”

7.1 Introduction

When issuing the Code of Conduct in November 1994, the Minister noted that it re-affirmed long-standing good practice.

The Code states that high standards of corporate and personal conduct, based on public service values, must be at the heart of the Health and Social Care Organisations.

Since Health and Social Care Organisations are publicly funded, they must be accountable to the Minister for Health, Social Services and Public Safety and ultimately to Parliament and the Public Accounts Committee, for the services they provide and for the effective and economical use of taxpayers' money.

7.2 Public Service Values

There are four crucial public service values, which must underpin the work of the Health and Social Care Organisations:

- Accountability
- Probity
- Integrity
- Openness

These values are the responsibility of the Chair, PCC Board Members and all staff.

In addition to the above principles, the First Report of the Committee on Standards in Public Life (Nolan) emphasized a code of best practice, which shall be incorporated into each public body's codes of conduct. These are:

Selflessness
Integrity
Objectivity
Accountability
Openness
Honesty
Leadership

The PCC is committed to these principles and all individuals are expected to adhere to them in the course of their work.

7.3 General Principles

Those who work in the PCC have a duty to:

- conduct business with probity
- deal with patients, clients, carers, members of the public, staff, residents and suppliers impartially and with respect
- achieve value for money from public funds
- demonstrate high ethical standards of personal conduct.

The Chair, Board members and all PCC employees/officers are required to accept the provisions of the '**HPSS Code of Conduct**' on appointment and to follow the principles set out herein.

The PCC Board must set a rigorous and visible example and shall be responsible for corporate standards of conduct and ensure acceptance and application of the Code. The Code shall inform and govern the decisions and personal conduct of the Chair, Board members and all PCC employees/officers.

7.4 Public Service Values in Management

It is a long established principle that public sector bodies, which include the PCC, must be impartial, honest and open in the conduct of their business, and that their employees shall remain beyond suspicion. It is also an offence under the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Acts 1906 and 1916 for an employee to accept any inducement or reward for doing, or refraining from doing anything, in his or her official capacity, or corruptly showing favour or disfavour, in the handling of contracts.

In the document entitled 'Code of Conduct' issued by the Department in November 1994, it was emphasized that public service values must be at the heart of the Health and Personal Social Services and that the service is accountable to the Minister of Health, Social Services and Public Safety and ultimately to the Northern Ireland Assembly and the Public Accounts Committee for the services they provide and for the effective and economical use of taxpayer's money.

It is unacceptable for the Board of any HSC organisation, or any individual within the organisation for which the PCC Board is responsible, to ignore public service values in achieving results. The Chair, PCC Board Members and all staff have a duty to ensure that public funds are properly safeguarded and that at all times the PCC Board conducts its business as efficiently and effectively as possible.

Proper stewardship of public monies requires value for money to be high on the agenda of the PCC Board at all times. Employment, procurement and accounting practices within the PCC must reflect the highest professional standards.

Individuals are expected to:

- Ensure that the interests of patients and clients remain paramount at all times;
- Be impartial and honest in the conduct of their official business;
- Use public funds entrusted to them to the best advantage of the service as a whole always ensuring value for money in the procurement of goods and services.

Public statements and reports issued by the PCC, or individuals within the PCC, shall be clear, comprehensive and balanced, and shall fully represent the facts. They shall also appropriately represent the corporate decisions of the PCC, or be explicit in being made in a personal capacity, where this is considered necessary.

Annual and all other key reports shall be issued in good time to all individuals and groups in the community who have a legitimate interest in health and social care issues to allow full consideration by those wishing to attend public meetings on local health and social care issues.

7.5 Public Business and Private Gain

The 'Code of Conduct' issued in November 1994 also outlined the principle that the Chair, PCC Board Members and all staff shall act impartially and shall not be influenced by social or business relationships. No one shall use their public position to further their private interests.

It is the responsibility of all staff to ensure that they do not:

- Abuse their official position for personal gain or to benefit their family or friends or to benefit individual contractors;
- Seek to advantage or further private business or other interests in the course of their official duties.

Where there is a potential for private, voluntary or charitable interests to be material and relevant to PCC Board or HSC business, the relevant interest shall be declared and recorded in the PCC Board minutes and entered into a register, which is available to the public. This is set out in more detail in SO.7.10.

When a conflict of interest is established or perceived, the Chair, PCC Board Member or member of staff shall withdraw and play no part in the relevant discussion or decision.

7.6 Counter Fraud Policy

The PCC is committed to maintaining an honest, open and well-intentioned atmosphere. It is therefore also committed to the elimination of any fraud within or against the PCC Board, and to the rigorous investigation of any such cases.

The PCC wishes to encourage anyone with reasonable suspicions of fraud to report them. Therefore the PCC shall rigorously enforce the Staff Raising Concerns at Work Policy (see SO. 7.15), in that no employee will suffer in any way as a result of reporting reasonably held suspicions. For these purposes “reasonably held suspicions” shall mean any suspicions other than those which are groundless and /or raised maliciously.

The PCC has in place a Fraud Response Policy and Response Plan, to give officers specific direction in dealing with cases of suspected fraud, theft or corruption. Advice may also be obtained from the Head of Development and Corporate Services.

7.7 Hospitality

7.7.1 Providing and Receiving Hospitality

The use of public funds for hospitality and entertainment shall be carefully considered within the guidelines issued by the Department in circular HSS(F)8/2003 are outlined in the Standing Financial Instructions (SFI 10.12)

See also SO.7.12 on **Alcohol Policy**.

7.8 Gifts

Token gifts (generally at Christmas) of very low intrinsic value such as diaries or calendars may be accepted from persons outside the PCC with whom staff have regular contact.

Any other gifts to members of staff or their families shall be politely refused.

If in doubt, staff shall decline the gift or consult their Line Manager / Head of department before accepting it.

At present a limit of £20 is used as a guide to identifying gifts of low intrinsic value but the nature or number of gifts may mean that items whose value is less than this may be considered inappropriate.

7.9 Sponsorship

Sponsorship is not generally acceptable, as acceptance may be perceived as compromising the organisation's integrity.

Acceptance by staff of commercial sponsorship for attendance at relevant conferences and courses might be acceptable providing the employee seeks permission in advance and the PCC can be absolutely satisfied that its decision making processes are not compromised.

PCC Board Members must be satisfied that their acceptance of any commercial sponsorship could not compromise or be perceived to compromise future decisions.

Acceptance of commercial sponsorship of conferences, courses or other events run by the PCC may only be accepted if it can be demonstrated that:

- promotional material of the sponsor does not unduly dominate the event;
- no particular product is being promoted or receiving an implicit endorsement by association with the PCC;
- other commercial bodies have been given an equal opportunity to sponsor and be associated with a particular event or other such events over a period of time.

Any decisions regarding sponsorship are to be referred to the PCC's Chief Executive and Chair in the case of PCC organized events. Decisions, together with all relevant information, shall be recorded in the minutes for future scrutiny.

A suitable contract shall be drawn up with the prospective sponsor, which sets out the PCC's requirements in line with this Standing Order.

7.10 Register(s) of Hospitality, Gifts & Sponsorship

All instances when hospitality, gifts (except those of up to £20 in value) and sponsorship are accepted shall be notified to the Chief Executive's Office, with a record of the basis of the decision to accept. Register(s) shall be maintained and monitored within performance management arrangements and to ensure compliance with disclosure requirements and shall be made available for public inspection on request.

7.11 Declaration of Interests

The '**Code of Conduct and Accountability**' requires the Chair and PCC Board Members to declare interests, which are relevant and material to the *PCC*. All existing managers or budget-holders within the PCC, having delegated responsibility to commit or influence commitment of Public Funds, shall declare such interests. Any managers appointed subsequently shall do so on appointment.

Interests that shall be regarded as 'relevant and material' are:

- a) Directorships, including non-executive directorships held in private companies or Public Limited Companies (with the exception of those of dormant companies).
- b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the HSC.
- c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the HSC.
- d) A position of trust in a charity or voluntary organisation involving the field of health and social care.
- e) Any connection with a HSC organisation, voluntary organisation or other organisation contracting for HSC services.
- f) Any other commercial interest in the decision before the meeting.

At the time PCC Board Members' interests are declared, they shall be recorded in the PCC Board minutes. Any changes in interests shall be declared at the PCC Board meeting following the change occurring.

PCC Board Members' directorships of companies likely or possibly seeking to do business with the HSC shall be published in the PCC Board's Annual Report. The information shall be kept up to date for inclusion in succeeding Annual Reports.

During the course of a PCC Board meeting, if a conflict of interest is established, the Member concerned shall, as soon as practicable after its commencement, disclose the fact. It shall be disclosed in a manner that cannot be perceived to influence subsequent discussion or decision. The member shall withdraw from the meeting and play no part in the relevant discussion or decision.

See SO.6.2.23.

Register of Interests

The Chief Executive shall ensure that a Register of Interests is established to record formally declarations of interests of relevant members and officers of the PCC. In particular the Register shall include details of all directorships and other relevant and material interests, which have been declared by PCC Chair and Board Members, managers and budget-holders.

These details shall be kept up to date and formally subject to an annual review in which any changes to interests declared during the preceding twelve months shall be confirmed.

The Register shall be available to the public and the Chief Executive shall take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

If PCC Board Members or relevant officers have any doubt about the relevance of an interest, this shall be discussed with the Chair/ Chief Executive as appropriate.

The general principle to be adopted is that if there is uncertainty regarding the need to disclose a particular interest then, in the interests of openness, disclosure shall be made.

7.12 Substance Abuse

The PCC discourages any form of substance abuse by members of staff. Under the terms of individual contracts of employment, disciplinary action may be instituted if an employee is unable to perform the duties of his/her post as a result of any form of substance abuse or if the actions of an employee brings the PCC into disrepute.

The PCC has specific policies regarding the abuse by staff of alcohol, drugs and tobacco, which are detailed below. Any other substance abuse shall also be covered by this policy.

Alcohol policy

The PCC permits alcohol to be provided and paid for out of public funds on rare occasions:

- moderate quantities of alcohol with meals provided as part of approved hospitality for visitors or guests;
- similarly for approved special functions in PCC premises. (See SO.7.7 above).

Otherwise, alcohol may not be consumed in PCC premises or any other location or venue attributed to the PCC except when specific permission has been given by a Head of department or Senior Officer with appropriate authority, for staff to bring their own refreshments for a function (for example, at Christmas and other times of celebration).

Staff are expected to ensure that, if they consume alcohol, it shall not affect the performance of their duties.

Drugs Policy

The PCC expects staff to observe the law both during and outside working hours.

If medical opinion advises that the taking of prescription drugs may affect an individual's performance of their duties, they shall inform their line manager or the personnel department in order that an acceptable management of the situation can be agreed.

Any use of recreational drugs, which affects the performance of an employee's duty or brings the PCC into disrepute, shall be considered unacceptable behaviour.

Smoking Policy

In meeting with the requirements of The Smoking (Northern Ireland) Order 2006, the PCC discourages smoking and it is not permitted within PCC accommodation, offices or buildings.

7.13 Misuse of Internet Facilities

PCC Officers, in the conduct of their work for the PCC, have access to the Internet for research and other work related activities. Officers are required to make application for access to the Internet and agree to comply with the PCC's ICT Security Policy. The security policy states that intentional *misuse* of the Internet by staff that can be deemed to be of an illegal, offensive or unethical nature is unacceptable and therefore just cause for the PCC to take disciplinary action, e.g.

- violation of copyright, license agreements or other contracts for example copying and using software for business purposes from a site where there is a clear limitation for personal use only;
- downloading any information which could be considered illegal or offensive e.g. pornographic or racist material (in this context the term 'pornographic' is used to include material which is considered distasteful but not illegal to possess);
- successful or unsuccessful attempts to gain unauthorised access to information resources – commonly known as hacking;
- using or knowingly allowing someone else to use any computer, computer network, computer system, program or software to devise or execute any artifice or scheme to defraud or to obtain money, property, services or other things of value by false pretences or promises or representations;
- without authorisation destroying, altering, dismantling, disfiguring, preventing rightful access to or otherwise interfering with the availability and/or integrity of computer-based information and/or information resources;
- without authorisation invading the privacy of individuals or entities that are creators, authors, users or subjects of the information resources; for example reading the e-mail of another without permission;

- using the internet for political lobbying;
- transmitting or causing to be transmitted, communications that may be construed as harassment or disparagement of others;
or
- violating any UK laws pertaining to the unauthorised use of computing resources or networks.

7.14 Staff Policies and Procedures

The PCC has a number of policies and procedures on a range of issues affecting staff and how they work within the PCC. These are detailed in the Staff Handbook, which can be accessed through the PCC's intranet or from their line manager.

The content of these policies has been consulted on with recognised staff side organisations and cover issues such as: - health and safety, equal opportunities, ICT security, absence due to sickness, special leave and work life balance arrangements, training and development opportunities, travel arrangements and staff raising concerns at work (See SO.7.15 below).

7.15 Staff Raising Concerns at Work

The PCC is committed to dealing responsibly with any genuine concern that a member of staff may have about malpractice within the organisation. Therefore in the interest of developing an open and honest culture within which staff can raise genuine concerns without fear of recrimination or victimisation the PCC has introduced this policy.

8.0 POWERS AND DUTIES

The powers and duties of individuals within the PCC are generally set out in the relevant Job Descriptions and Contract of Employment. All individuals are expected to behave at all times in accordance with the Standing Orders.

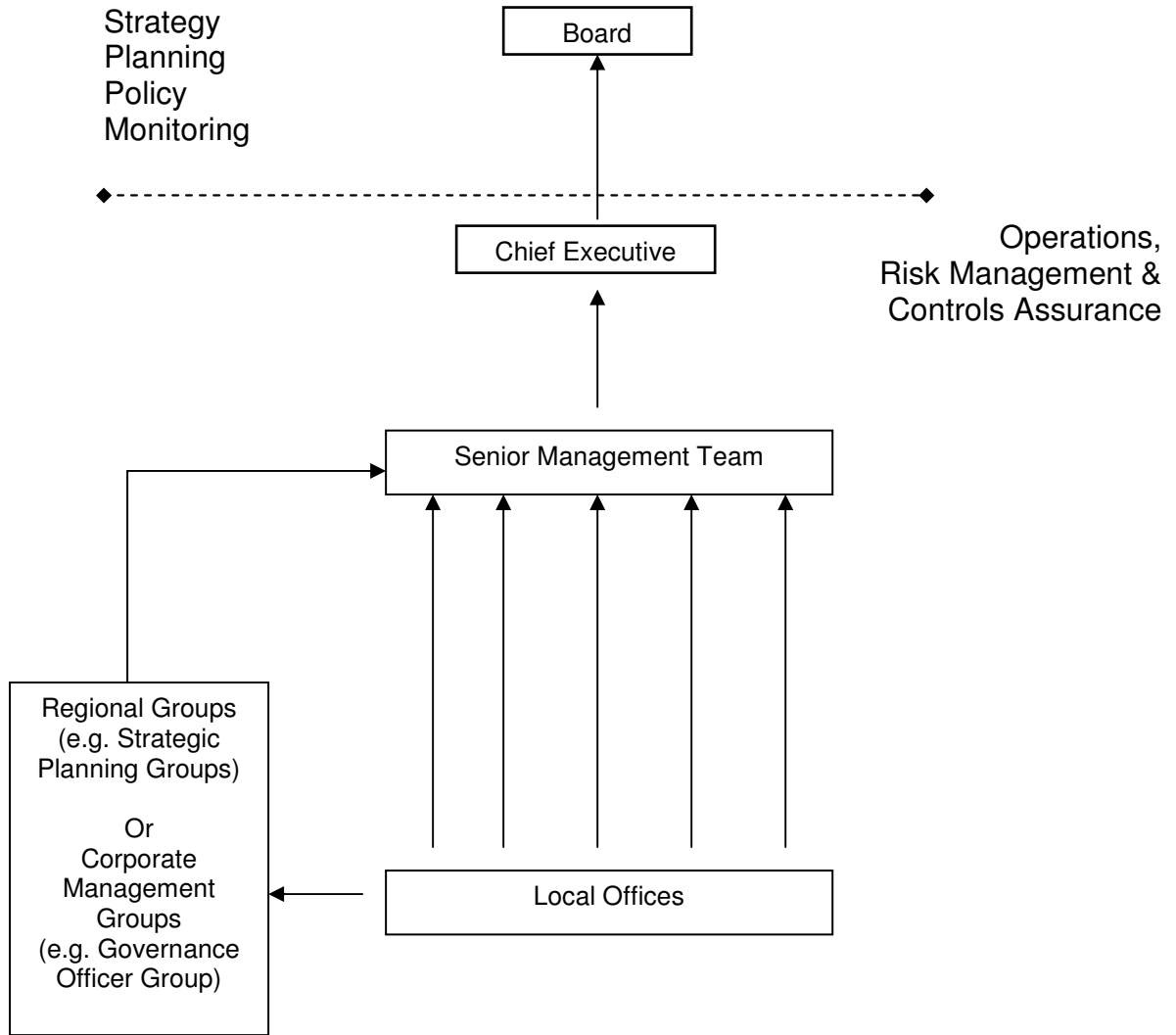
Those individuals who comprise the PCC Board, that is the Chair, and Non Executive PCC Board Members, shall pay regard to SO.3, which sets out the main functions of the PCC Board and those matters that are reserved to the PCC Board.

When acting in the capacity of a member of a PCC Board Committee, those individuals shall pay regard to the appropriate Scheme of Delegation which sets out those matters which have been delegated by the PCC Board.

The Chief Executive, Heads of departments, Senior Officers, and other staff, shall pay regard to any appropriate Scheme of Delegation either by the PCC Board or by the Chief Executive. This may delegate responsibility to the individual in a personal capacity or as a member of a planning group or other multidisciplinary group.

Individuals are accountable through their departmental management structure as well as through any participation on a multidisciplinary group or functional role. This accountability is to the Chief Executive as illustrated in the following diagram.

PCC Accountability Structures



9.0 STANDING FINANCIAL INSTRUCTIONS

Foreword

- 9.1 Core references in these SFI's (and Standing Orders) are the Code of Conduct, Code of Accountability and the Code of Practice and Openess.
- 9.2 The Code of Conduct and Code of Accountability issued under Circular HSS (PDD) 8/94 require the PCC to adopt Standing Financial Instructions (SFIs) setting out the responsibilities of individuals.
- 9.3 SFIs form part of the Standing Orders of the PCC, which are laid down by the Codes. In addition, there are financial procedures and Systems Manuals as well as other instructions and guidelines, which are promulgated from time to time by Chief Executive or Delegated Officer. Collectively, these must cover all aspects of financial management and control. They are the 'business rules' that Directors and employees (including employees of Third Parties contracted to the PCC) must follow when acting on behalf of the PCC.
- 9.4 SFIs adopted by the PCC are mandatory on all Members, Directors and employees of the PCC.
- 9.5 Failure to comply with SFIs is a disciplinary matter which could result in dismissal.

10 STANDING FINANCIAL INSTRUCTIONS

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10.0 INTRODUCTION

10.1 GENERAL

- 10.1.1 These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the PCC in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders of the PCC.
- 10.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the PCC. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, economy, efficiency, effectiveness and accuracy of accounting.
- 10.1.3 These SFIs identify the financial responsibilities that apply to everyone working for the PCC. They do not provide detailed procedural advice. These statements shall therefore be read in conjunction with the detailed departmental and financial procedure notes. Chief Executive or Delegated Officer must approve all financial procedures.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Executive or Delegated Officer must be sought before acting.
- 10.1.5 Failure to comply with SFIs is a disciplinary matter which could result in dismissal.

10.2 INTERPRETATION

10.2.1 Any expression to which a meaning is given in the Health and Personal Social Services Orders 1972 or 1991 Health and Social Care (Reform) Act (Northern Ireland) 2009, shall have the same meaning in these instructions and in addition:

“Accounting Officer” shall be the HSC Officer responsible and accountable for funds entrusted to the PCC Board. He/she will be responsible for ensuring the proper stewardship of public funds and assets. For the PCC Board it shall be the PCC Chief Executive (as specified by the DHSSPS Permanent Secretary as Accounting Officer);

“PCC” means the Patient and Client Council;

“Board” shall mean Chair, and non-Executive (or non-Officer) members of the PCC, appointed by the Minister with responsibility for Health and Social Care;

“BSO” means the Business Services Organisation;

“Budget” means a resource expressed in financial terms, proposed by the PCC Board for the purpose of carrying out, for a specific period, any or all of the functions of the PCC;

“Budget Holder” means the Officer or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the PCC;

“Chief Executive” means the chief officer of the PCC;

“Committee” shall mean a Committee created by the PCC Board either for its own good governance or by Departmental direction or by legislation.

“Committee members” shall be persons formally appointed by the PCC Board to sit on or to chair specific Committees.

“Department” means the Department of Health, Social Services and Public Safety (DHSSPS). The term ‘Department’ does appear as part of the title of other Government organisations and in these instances the title is given in full;

“Head of Development and Corporate Services” is the delegated Officer on behalf of the Chief Executive to ensure the PCC has appropriate financial advice;

“HSC” refers to Health and Social Care (this was previously known as HPSS and references to HPSS relate to previously published documents);

“HSCB” means the Regional Health and Social Care Board;

“Legal Adviser” means an appropriately qualified person from whom the PCC receives legal advice.

10.2.2 Wherever the title Chief Executive, Head of Development and Corporate Services or other nominated officer is used in these

instructions, it shall be deemed to include such other officers who have been duly authorised to represent them.

10.2.3 Wherever the term '**employee**' is used it shall be deemed to include employees of third parties contracted to the PCC when acting on behalf of the PCC.

10.3 RESPONSIBILITIES AND DELEGATION

10.3.1 The PCC Board of Directors exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved funding/overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- (d) defining specific responsibilities placed on officers and employees as indicated in the Scheme of Delegation Documents.

10.3.2 The PCC shall delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation Document adopted by the PCC Board of Directors. (The PCC Board of Directors shall keep the extent of delegation under review.)

- 10.3.3 Notwithstanding the SFIs, the Chief Executive is ultimately accountable to the PCC Board of Directors for ensuring that the PCC meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the PCC's activities and is responsible to the PCC Board of Directors for ensuring that its financial obligations and targets are met.
- 10.3.4 The Chief Executive is nominated by the Department as the Accounting Officer who is responsible, (through the DHSSPS Accounting Officer), to the Northern Ireland Assembly or Parliament. The Accounting Officer Memorandum issued by the Department's Permanent Secretary to the Chief Executive refers.
- 10.3.5 The Chief Executive shall, as far as possible, delegate her/his detailed responsibilities but will remain accountable for financial control.
- 10.3.6 It is a duty of the Chief Executive to ensure that existing officers, employees, and all new appointees are notified of and understand their responsibilities within these instructions.
- 10.3.7 The Chief Executive or her/his delegated Officer is responsible for:
- (a) implementing the PCC's financial policies and for co-ordinating any corrective action necessary to further these policies;

- (b) maintaining an effective system of internal control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions
- (c) ensuring that sufficient records are maintained to show and explain the PCC's transactions, in order to disclose, with reasonable accuracy, the financial position of the PCC at any time and, without prejudice to any other functions of Officers and employees of the PCC, the duties of the Chief Executive or Delegated Officer include:
 - i. the provision of financial advice to the PCC and its officers and employees;
 - ii. the design, implementation and supervision of systems of financial control; and
 - iii. the preparation and maintenance of such accounts, certificates, estimates, records and reports as the PCC may require for the purpose of carrying out its statutory duties

10.3.8 All members of the PCC Board, officers and employees, individually and collectively, are responsible for:

- (a) the security of the property of the PCC

(b) avoiding loss;

(c) exercising economy and efficiency in the use of resources; and

(d) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and Schemes of Delegation.

10.3.9 any contractor or employee of a contractor who is empowered by the PCC to commit the PCC to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

10.3.10 For any and all officers and employees who carry out a financial function, the form in which financial records are kept and the manner in which officers and employees discharge their duties must be to the satisfaction of the Chief Executive or Delegated Officer.

10.4 AUDIT

10.4.1 GOVERNANCE AND AUDIT COMMITTEE

In accordance with Standing Orders (and as set out in guidance issued by the Management Executive under HSS (PDD) 8/94), the PCC Board of Directors shall establish an Audit Committee, which shall provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing financial and information systems;
- (c) ensuring compliance with Standing Orders and Standing Financial Instructions; and
- (d) reviewing schedules of losses and compensations and making recommendations to the PCC Board of Directors.

10.4.2 Where the Governance and Audit Committee feels there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the Chair of the Governance and Audit Committee shall raise the matter at a full meeting of the PCC Board of Directors. Exceptionally, the matter may need to be referred to the Department.

10.4.3 It is the responsibility of the Chief Executive or Delegated Officer to ensure that an adequate internal audit service is secured and the Governance and Audit Committee shall be involved in any selection process.

10.4.4 The Governance and Audit Committee shall carry out the functions of an Audit Committee as set out above along with other functions in relation to Governance as set out in the Standing Orders.

10.4.5 HEAD OF DEVELOPMENT AND CORPORATE SERVICES

The Head of Development and Corporate Services is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control by the establishment of an independent internal audit function;
- (b) ensuring that the internal audit is adequate and meets the standards set out in the Internal Audit Manual produced by the NHS Executive and distributed under cover of FDL (95) in March 1995;
- (c) advising the Chief Executive of suspected cases of fraud, misappropriation, and other irregularities; and

- (d) ensuring that an annual audit report is prepared for the consideration of the Governance and Audit Committee acting on behalf of the PCC Board of Directors. The report must include:
- i. a clear statement on the effectiveness of Internal Control
 - ii. Progress against plans approved by the Governance and Audit Committee;
 - iii. any major internal financial control weaknesses discovered;
 - iv. progress on the implementation of internal audit recommendations;
 - v. strategic (three year) audit plan; and
 - vi. a detailed annual plan for the coming year.

10.4.6 The Chief Executive or Delegated Officer or designated auditors are entitled without necessarily giving prior notice to require and receive:

- (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (b) access at all reasonable times to any land, premises or employee of the PCC;
- (c) the production of any cash, stores or other property of the PCC under an employee's control; and

- (d) explanations concerning any matter under investigation.

10.4.7 ROLE OF INTERNAL AUDIT

Internal Audit shall review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data; and
- (d) the extent to which the PCC's assets and interests are accounted for and safeguarded from loss of any kind, arising from;
 - fraud and other offences;
 - waste, extravagance, inefficient administration; and
 - poor value for money or other causes.

10.4.8. Whenever any matter arises which involves, or is thought to involve irregularities concerning cash, stores or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Head of Development and Corporate Services must be notified immediately.

10.4.9 The Head of Development and Corporate Services has responsibility for securing an independent Internal Audit service. He/she, and the Head of Internal Audit Services, shall normally attend Governance and Audit Committee meetings and both have a right of direct access to all Governance and Audit Committee Members, the Chair, the Board of Directors and Chief Executive of the PCC

10.4.10 The reporting system for internal audit is to be as follows:

- (a) an urgent interim report is to be made orally or in writing to alert management to the need to take immediate action to correct a serious weakness in performance or control or whether there are reasonable grounds for suspicion of malpractice;
- (b) on completion of an audit a report is to be sent to the Head of Development and Corporate Services or Officer who has a direct responsibility for the activity being audited and who has the authority to take action on internal audit recommendations;
- (c) Interim reports are also to be made where it is necessary to make a significant change in the scope of the assignment or where it is desirable to inform management of progress
- (d) the appropriate Officer shall produce a timely management response to each internal audit report and;

- (e) the internal audit reports and management responses must be submitted to the Governance and Audit Committee for consideration

10.4.11 EXTERNAL AUDIT

External audit services are provided under Articles 90 (2) (a) and 91 (1) (a) of the HPSS (NI) Order 1972 and the Audit and Accountability Order (NI) 2003, in particular section 6 thereof.

10.4.12 The Northern Ireland Comptroller and Auditor General is the appointed External Auditor of the PCC, who may outsource the External Audit programme to appropriately qualified private sector organisations.

10.5 EXPENDITURE CONTROL LIMIT

10.5.1 The PCC is required by the DHSSPS to break even in-year, not to exceed its annual Expenditure Limit, with a further requirement to declare all in-year easements to the Department. The Chief Executive has overall executive responsibility for the PCC's activities and is responsible to the PCC Board of Directors for ensuring that it stays within its expenditure limit and any in-year or cumulative deficits are eliminated.

10.5.2 The Head of Development and Corporate Services shall:

- (a) provide monthly reports to the PCC Board and the Department;

- (b) ensure money drawn from the Department of Health, Social Services and Public Safety against the Expenditure Limit is required for approved expenditure only, and is drawn down only at the time of need;
- (c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the PCC to fulfil its statutory responsibility not to exceed its Annual Revenue and Capital Resource Limits; and;
- (d) be responsible for financial risk register and ensure that the Chief Executive and Senior Management Team are advised of potential financial problems to ensure timely action is taken so that Departmental Expenditure Limits are not breached.

10.5.3 The Senior Management Team shall ensure that adequate information is provided in a timely way to the Head of Development and Corporate Services to enable reliable financial projections to be made, and necessary advice provided to the Chief Executive on any financial risk to the break-even position.

10.6 PROMOTING FINANCIAL STABILITY

10.6.1 The PCC has an obligation, with all other HSC Organisations, to contain expenditure within the resources available. Deficits should not be allowed to develop, and where they do threaten to arise, the PCC must ensure appropriate contingency or recovery arrangements are put in place.

10.6.2 The principles set out in circular HSS(F)29/2000, “Promoting Financial Stability within HPSS Organisations” must be adhered to. In particular, no service developments should be initiated without the prior securing of recurrent funding from the DHSSPS.

10.7 FUNDING, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

10.7.1 FUNDING

10.7.2 The Head of Development and Corporate Services of the PCC shall:

- (a) periodically review the basic assumptions used for allocations and ensure that these are reasonable and realistic and secure the PCC's entitlement to funds.
- (b) for each financial year submit to the PCC Board for approval a
Financial Plan; and
- (c) regularly update the Senior Management Team and PCC Board of Directors on significant changes to the initial funding and the uses of such funds.
- (d) be involved in challenging those assumptions made regarding the financial implications of all policy changes and assisting in their evaluation.
- (e) advise the Chief Executive and Senior Management Team on need for contingency reserve in the light of known Budget uncertainties.

10.7.3 PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS

10.7.4 The Chief Executive shall compile and submit to the PCC Board an annual operational plan. The annual operational plan shall contain;

(a) a statement of the significant assumptions on which the plan is based; and

(b) details of major changes in workload, delivery of services or resources required to achieve the plan.

10.7.5 At the start of the financial year the Head of Development and Corporate Services shall prepare and submit budgets for consideration by the Senior Management Team and approval by the Board of the PCC. Such budgets shall:

(a) be in accordance with the aims and objectives set out in the operational plan;

(b) accord with workload and manpower plans;

(c) be prepared within the limits of available funds; and

(d) identify potential risks.

10.7.6 The Head of Development and Corporate Services (with appropriate support) shall monitor financial performance against budgets and plans, periodically review them, and report to the

Board of the PCC. The Head of Development and Corporate Services shall advise the Chief Executive and the PCC Board on the need to apply any contingency reserve.

10.7.7 The Chief Executive must ensure that the necessary Business Case preparation and approvals, for expenditure decisions, have been obtained at Departmental level **before** committing to expenditure. Failure to obtain the required Departmental approvals will mean that the expenditure has been incurred without the required authority and is a serious matter. (DAO (DFP)06/05 refers)

10.7.8 PCC officers shall provide information and estimates as required by the Head of Development and Corporate Services to enable budgets to be compiled.

10.7.9 The Head of Development and Corporate Services has a responsibility to ensure that adequate training is delivered on an ongoing basis to PCC Officers to help them manage budgets effectively and to appropriately present information to the PCC Board to assist in the monitoring of the PCC budget.

10.7.10 BUDGETARY DELEGATION

10.7.11 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- (a) the amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to exercise virement, only within total Revenue or total Capital (no virement between revenue and capital);
- (e) achievement of planned levels of service; and
- (f) the provision of regular reports.

10.7.12 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the PCC.

10.7.13 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement. Where DHSSPS resources allocated for a particular purpose are not required or not required in full, for that purpose, they must be returned to the Department for potential redistribution

10.7.14 Non-recurrent administrative budgets shall not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

10.7.15 All Budget Holders are required to regularly review all projected expenditure and identify to the Head of Development and Corporate Services on a timely basis, where inescapable expenditure has the potential to breach their delegated budget.

10.7.16 BUDGETARY CONTROL AND REPORTING

10.7.17 The Head of Development and Corporate Services shall devise and maintain systems of budgetary control. These shall include:

- (a) monthly financial reports to the PCC Board of Directors in a form approved by the PCC containing:
 - i) income and expenditure to date showing trends and forecast year-end position
 - ii) movements in working capital;
 - (iii) material capital project spend and projected outturn against plan;
 - (iv) explanations of any material variances from plan; and
 - (v) details of any corrective action where necessary and the Chief Executive's and/or Head of Development and Corporate Service's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensive advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, workload and manpower budgets;

- (d) monitoring of management action to correct variations; and
- (e) arrangements for the authorisation of in-year budget transfers.

10.7.17 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Chief Executive or Delegated Officer;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement; and
- (c) all estimated budgets are reviewed regularly especially where there is a projected impact on their delegated budget.
- (d) no employees are appointed without the approval of the Chief Executive or Delegated Officer that sufficient funds are available within the PCC's budget to meet the full cost of employment
- (e) they have access to adequate management information and financial advice to ensure that they manage budgets effectively within delegated limits.

10.7.18 The Chief Executive is responsible for identifying and implementing cost improvements in accordance with the

requirements of the annual Operational Plan and maintenance of a balanced budget

10.7.19 CAPITAL EXPENDITURE

10.7.20 The general rules applying to delegation and reporting shall also apply to capital expenditure. The particular matters relating to capital are contained in SFI.12 together with the provisions of the Capital Investment Manual for NI (see Circular HSS(PDD)4/95 issued on 10th July 1995).

10.7.21 ECONOMIC APPRAISALS FOR CAPITAL AND CURRENT EXPENDITURE PROJECTS

10.7.22 Where the PCC proposes to incur/commit expenditure it is essential that a robust evaluation and decision making process is undertaken. The prescribed method is a **proportionate** economic appraisal. The detail for such appraisals is included in the

- DHSSPS Capital Investment Manual
- Northern Ireland Guide to Expenditure Appraisal
- HM Treasury Green Book

10.7.23 For business cases and economic appraisals prepared and submitted after a project has commenced or is completed, the Department **cannot** guarantee that approval will be granted either by them or at DFP level.

10.7.24 One essential element of the economic appraisal process is the requirement for a robust post project evaluation and dissemination of lessons learned.

10.7.25 FINANCIAL MONITORING RETURNS

10.7.26 The Chief Executive or Delegated Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the appropriate directorate within the Department of Health, Social Services & Public Safety

10.7.27 These monitoring returns must include estimated monthly movement on the cost of Capital and Provisions, (including provisions for employers & public liability and early retirement liabilities.)

10.8 ANNUAL ACCOUNTS AND REPORTS

10.8.1 The Chief Executive or Delegated Officer, on behalf of the PCC, shall:

- (a) prepare annual accounts and financial reports in accordance with the Resource Accounting guidance provided by the Department, the PCC's accounting policies, and generally accepted accounting principles;
- (b) prepare, certify and submit audited Annual Accounts to the Department in accordance with current prescribed guidelines and timetable; and
- (c) submit the prescribed financial returns to the Department for each financial year in accordance with the prescribed timetable.

10.8.2 The PCC's Annual Accounts must be audited by the NI Comptroller and Auditor General and adopted by the PCC Board of Directors at a meeting held in public.

10.8.3 In accordance with established good practice and with Section F of HSS(PDD)8/94, the PCC shall publish an Annual Report and present it at a meeting held in public. Inter alia the document shall include or provide ready access to:

- (a) a summary financial statement consistent with the Annual Accounts of the PCC supported by a statement from the External Auditor that this is so;

- (b) a note stating whether the External Auditor's report to the annual accounts was qualified or unqualified and, if qualified, set out the report in full together with any further material needed to understand the qualification;
- (c) remuneration of the Chair, the Chief Executive and Non-Executive Directors in accordance with the guidance set out in Section C of HSS(PDD)8.94), updated by circular HSS(F)18/2004.
- (d) details of relevant directorship and other significant interests held by members of the PCC Board of Directors;
- (e) Remuneration Report; and
- (f) all other specified disclosures and direction by the Department consistent with best practice in the publication of Annual Accounts for a public service body.

10.9 BANK ACCOUNTS

10.9.1 GENERAL

The Chief Executive or Delegated Officer is responsible for managing the banking arrangements and for advising the PCC Board on the provision of banking services and operation of accounts. This advice shall take into account guidance/direction issued from time to time by the Department.

10.9.2 The PCC Board of Directors shall be notified by the Chief Executive of the administrative arrangements for banking arrangements put in place for the PCC.

10.9.3 BANK ACCOUNTS

10.9.4 The Chief Executive or Delegated Officer is responsible for:

- (a) bank accounts;
- (b) establishing separate bank accounts as appropriate
- (c) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made; and
- (d) managing any arrangements made with the bankers for accounts to be overdrawn.

10.9.5 BANKING PROCEDURES

10.9.6 The Chief Executive or Delegated Officer shall prepare detailed instructions on the operation of bank accounts, which must include:

- (a) the conditions under which each bank account is to be operated;
- (b) the limit to be applied to any overdraft; and
- (c) those authorised to sign cheques or other orders drawn on the accounts.

10.9.7 The Chief Executive or Delegated Officer must advise the bankers in writing of the conditions under which each account shall be operated.

10.9.8 TENDERING AND REVIEW

10.9.9 The Chief Executive or Delegated Officer shall review the banking arrangements of the PCC at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the banking business in co-operation with other HSC organisations.

10.9.10 Competitive tenders for HSC banking services shall be sought at least every 5 years or extended period as agreed by the PCC Board. The results of the tendering exercise shall be reported to the PCC Board of Directors.

10.10 INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

10.10.11 INCOME SYSTEMS

10.10.12 The Head of Development and Corporate Services is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due, including 'HSC' transactions.

10.10.13 The Head of Development and Corporate Services is also responsible for the prompt banking of all monies received.

10.10.14 FEES AND CHARGES

10.10.15 The Head of Development and Corporate Services is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

10.10.16 All employees must inform the Head of Development and Corporate Services promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, and other transactions.

10.10.17 DEBT RECOVERY

10.10.18 The Head of Development and Corporate Services is responsible for the appropriate recovery action on all outstanding debts.

10.10.19 Income due but not received shall be dealt with in accordance with the guidance on losses detailed in HSS(F) circular 38/98.

10.10.20 Overpayments shall be detected (or preferably prevented) and recovery initiated.

10.10.21 SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

10.10.22 The Head of Development and Corporate Services is responsible for:

- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- (b) ordering and securely controlling any such stationery;
- (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and

(d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the PCC.

10.10.23 Public Funds shall not, under any circumstances, be used for the encashment of private cheques.

10.10.24 All cheques, postal orders, cash etc, shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Head of Development and Corporate Services.

10.10.25 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the PCC is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the PCC from responsibility for any loss.

10.11 ACHIEVING THE OPERATIONAL PLAN OF THE PCC

The PCC Board shall annually approve an Operational Plan for the PCC which guides the Chief Executive and PCC officers in a range of activities for the incoming year. The Operating Plan will include any service agreements which will enable the PCC to achieve its plan.

Budget holders must ensure that formal service and budget agreements are in place with all service providers from whom the PCC commissions services.

The Head of Development and Corporate Services must

- a) Maintain a system for payment of service agreement invoices in accordance with agreement terms and in accordance with Departmental guidance
- b) Ensure that agreements are reached within the resources available to the organisation

10.11 TERMS OF SERVICE AND PAYMENT OF NON-EXECUTIVE DIRECTORS AND EMPLOYEES

10.11.1 REMUNERATION AND TERMS OF SERVICE

10.11.2 The PCC shall remunerate the Chair and Non-Executive Directors in accordance with the Payment of Remuneration to Chairmen and Non-Executive Members Determination by the Minister

10.11.3 The PCC Board shall have the right to consider and approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for employees

10.11.4 FUNDED ESTABLISHMENT

10.11.5 The manpower plans incorporated within the annual budget shall form the funded establishment.

10.11.6 The funded establishment of any department may not be varied without the approval of the Chief Executive.

10.11.7 STAFF APPOINTMENTS

10.11.8 No Officer may engage, re-engage, or regrade employees, either on a permanent or temporary basis, or hire agency staff, or agree to changes in any aspect of remuneration:

- (a) unless authorised to do so by the Chief Executive or Delegated Officer; and

- (b) within the limit of his approved budget and funded establishment as confirmed by the Head of Development and Corporate Services.

10.11.9 PROCESSING OF PAYROLL

10.11.10 The Head of Development and Corporate Services is responsible for:

- (a) specifying timetables for submission of properly authorised time records and other notifications;
- (b) the final determination of pay;
- (c) making payment on agreed dates; and
- (d) agreeing method of payment.

10.11.11 The Head of Development and Corporate Services shall issue instructions regarding:

- (a) verification and documentation of data;
- (b) the timetable for receipt and preparation of payroll data and the payment of employees;
- (c) maintenance of subsidiary records for superannuation, income tax, social security 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 1998;
- (g) methods of payment available to various categories of employee;
- (h) procedures for payment by cheque, bank credit, or cash to employees;
- (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) separation of duties of preparing records and handling cash;
and
- (m) a system to ensure the recovery from leavers of sums of money and property due by them to the PCC.

10.11.12 Appropriately nominated managers have delegated responsibility for:

- (a) submitted time records, and other notifications in accordance with agreed timetables;
- (b) authorising completed time records and travel claims of employees and agency staff and any other notifications in accordance with the instructions and in the form prescribed by the Head of Development and Corporate Services; and
- (c) submitting relevant notification forms in the prescribed format immediately upon knowing the effective date of an employee's resignation, termination, retirement or any other change to their conditions of service. Where any employee fails to report for duty in circumstances that suggest they have left without notice, the Head of Development and Corporate Services must be informed immediately.

10.11.13 Regardless of the arrangements for providing the payroll service, the Head of Development and Corporate Services shall 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 payment of these to appropriate bodies.

10.11.14 **CONTRACTS OF EMPLOYMENT**

10.11.15 The Chief Executive or Delegated Officer shall:

- (a) ensure that all employees are issued with a Contract of Employment in a form approved by the PCC and which complies with employment legislation; and
- (b) detail variations to, or termination of, contracts of employment.

10.12 NON-PAY EXPENDITURE FOR PCC ADMINISTRATION

10.12.1 DELEGATION OF AUTHORITY

10.12.2 Within the administrative ceiling set by the Department, the Chief Executive shall approve the level of non-pay expenditure on an annual basis and determine the level of delegation to budget managers.

10.12.3 The Chief Executive shall set out:

- (a) the list of Officers who are authorised to place requisitions for the supply of goods and services; and
- (b) the maximum level of each requisition and the system for authorisation above that level.

10.12.4 The Chief Executive or Delegated Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services to ensure proper stewardship of public funds and assets.

10.12.5 The Chief Executive or Delegated Officer is responsible for ensuring that goods and services are correctly specified and that the Centre of Procurement Expertise (COPE) provides value for money. In support of this a Service Level Agreement should be put in place with the COPE, requiring it to provide assurance that the systems and processes used in procurement ensure appropriate probity and propriety.

10.12.6 CHOICE, REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES

10.12.7 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money (VFM) for the PCC. The concept of VFM remains central to the procurement policy.

10.12.8 Twelve guiding principles have been adopted as the basis of procurement policy, which are:

- Transparency;i
- Integrity;
- Fair Dealing;
- Consistency;
- Purchasing by competition;
- Responsiveness;
- Informed decision making;
- Legality;
- Effectiveness;
- Efficiency;
- Integration; and
- Accountability

10.12.9 Therefore the PCC requires that the Business Services Organisation Regional Supplies Services, is consulted in the first instance to ensure that procurement is carried out in a professional way. Where this advice is not acceptable to the requisitioner, the Chief Executive or Delegated Officer shall be consulted.

10.12.10 The Chief Executive or Delegated Officer shall be responsible for the prompt payment of accounts and claims in line with the Better Payments Practice Code which specifies that payment is to be made within ten days of receipt of the goods or a valid invoice. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with Department guidance.

10.12.11 The Head of Development and Corporate Services shall:

- (a) advise the Chief Executive and Senior Management Team regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds shall be incorporated in standing orders and regularly reviewed;
- (b) prepare procedural instructions on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorised accounts and claims;

(d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for a list of

i. directors/employees (including specimens of their signatures) authorised to certify invoices

ii. certification that:

- goods have been duly received, examined and are in accordance with specification and the prices are correct;
- work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
- in the case of contracts based on the measurement of time, materials or expenses, the time charges are in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
- where appropriate, the expenditure is in accordance with regulations and all necessary authorisation have been obtained;

- the account is arithmetically correct and the account is in order for payment
- iii. a timetable and system for submission of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; and
- iv. instructions to employees regarding the handling and payment of accounts;
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).

10.12.12 Prepayments or payments on account are only permitted where exceptional circumstances apply. In such instances:

- (a) prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cashflows must be discounted to NPV) and the intention is not to circumvent cash limits;
- (b) the appropriate Officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the PCC if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;

- (c) the Chief Executive or Delegated Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed; and
- (d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the Chief Executive or Delegated Officer if problems are encountered.

10.12.13 Official orders must:

- (a) be consecutively numbered;
- (b) be in a form approved by the Head of Development and Corporate Services;
- (c) state the terms and conditions of trade; and
- (d) only be issued to, and used by, those duly authorised by the Chief Executive or Delegated Officer.

10.12.14 Managers must ensure that they comply fully with the guidance and limits specified by the Chief Executive or Delegated Officer and that:

- (a) all contracts, leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Executive or Delegated Officer in advance of any commitment being made;

- (b) contracts above the specified thresholds are advertised and awarded in accordance with Department of Health and Social Services Circular HS(WS2) 1/74 (Mini Code and EU Control Levels) and amendments thereto Public Supply Contract Regulations (1995) and the Public Services Contract Regulations (1993) (other than specialist services sought from or provided by DHSSPS) and for disposals except where any of these goods and services are provided under existing contracts let by other Public Bodies which can properly be used by and are available to the PCC.
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued under Circular 'The Use of Management Consultants' HSS(F)20/06 and supplement 1 issued 28/10/08;
- (d) no order shall be issued for any item or items to any firm which has made an offer of reward or benefit to Directors or employees, other than:
 - (i) isolated gifts of low intrinsic value (under £20) or inexpensive seasonal gifts, such as calendars; or
 - (ii) conventional hospitality, such as lunches in the course of working visits;

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Executive or Delegated Officer;
- (f) all goods, service, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally – by an Officer designated by the Chief Executive and only in cases of emergency or urgent necessity. An official order clearly marked ‘Confirmation Order’ must confirm these;
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the PCC to a future uncompetitive purchase;
- (j) changes to the list of Officers authorised to certify invoices are notified in a timely manner to the Head of Development and Corporate Services;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Head of Development and Corporate Services;
- (l) petty cash records are maintained in a form as determined by the Head of Development and Corporate Services.

10.12.15 The Chief Executive must ensure that the PCC's Standing Orders are compatible with the requirements issued by the Department in respect of building and engineering contracts (CONCODE) and land and property transaction (ESTATECODE). The technical audit of these contracts shall be the responsibility of the Head of Development and Corporate Services who shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within these codes.

10.12.16 GRANTS TO OTHER BODIES

10.12.17 Grants to other bodies for the provision of services to patients or clients shall, regardless of the source of funding, incorporate the principles set out in The Departmental Grants Manual; March 2005, issued by the DHSSPS. (see DHSSPS website).

10.12.18 The Manual aims to provide a guide to best practice in the management and administration of grant making. It is a procedures manual, setting out the basic accountability requirements for grant making and giving guidance on how these may be met in practice.

10.12.19 There are five main principles that apply to the management and administration of grant making. These are:

- **Regularity** – funds should be used for the authorised purpose;

- **Propriety** – funds should be distributed fairly, and free from undue influence;
- **Value for Money** – funds should be used in a manner that minimises costs, maximises outputs and always achieves intended outcomes
- **Proportionate Effort** – resources consumed in managing the risks to achieve and demonstrate regularity, propriety and value for money should be proportionate to the likelihood and impact of the risks materialising and losses occurring.
- **Clarity of responsibility and accountability** – within partnership working arrangements there should be clear documented lines of responsibility and accountability of each partner involved. Those who delegate responsibility should ensure that there are suitable means of monitoring performance.

10.12.20 For grants of up to £1,001 the Director responsible for the service may grant approval. For grants up to £5,001 the Chief Executive may grant approval. All other grants shall be considered by the Senior Management Team and must be consistent with the Operational Plan approved by the *PCC* at the outset of the year and be supported by an appropriate Business Case.

10.12.21 FINANCIAL HEALTH CHECKS COMMUNITY & VOLUNTARY GROUPS

10.12.22 The PCC supports local partnerships, voluntary organisations and other joint ventures to promote greater local and

community involvement in the provision of services. The application of the Financial Health Checks, provided by independent accountancy firms, to **all** such bodies shall ensure that sufficient controls are in place to guarantee that all funds given are used for the purposes intended.

10.12.23 HOSPITALITY

The use of public funds for hospitality and entertainment shall be carefully considered within the guidelines issued by the Department in circular HSS(F)8/2003 outlined in the Standing Financial Instructions

Hospitality for visitors to the PCC is normally to be provided by a requisition.

10.12.24 Providing Hospitality

Definition - Hospitality refers to: meals; beverages and light refreshments; of any type provided out of public funds to anyone be they a public servant or official, representative of a public or private body organization, or a private individual. It includes hospitality provided for training events run by the PCC itself but not where such events are run by an external organization.

10.12.25 Justification for Hospitality

A fundamental consideration governing the justification for expenditure by the PCC at public expense is that on **every** occasion the hospitality extended shall be in the direct interest of the PCC and proportionate to that interest.

10.12.26 Accountability

The Chief Executive has ultimate responsibility and accountability for expenditure on hospitality but in most instances the appropriate Officer shall decide where it is appropriate and its scale.

The Senior Management Team shall monitor the hospitality expenses of the organisation. The Governance and Audit Committee shall monitor the hospitality expenses claimed by the Chair or Chief Executive, on behalf of the PCC Board.

10.12.27 Scale of Hospitality

Modest hospitality may be **accepted** providing it is normal, and reasonable in the circumstances, and similar to that which would be offered by the PCC e.g. lunches in the course of working visits.

Some events may justify a much greater outlay than others and judgments on the scale of provision shall be based on common sense considerations. The maxim to follow, however, is that official entertainment shall be, and shall be seen to be on a modest scale and not ostentatious in nature.

The use of hotels, restaurants or other facilities may be appropriate for meetings, conferences or seminars. The Chief Executive or Delegated Officer may approve this together with any special functions.

10.12.28 Recipients of Hospitality

- a) Anyone from either outside or within the PCC providing official hospitality can be regarded as recipients of hospitality. The maxim to consider as regards any meeting or other event, which involves people from outside the PCC, is that the numbers of officials from within the PCC shall be kept to a minimum.

It is recognised that the scale of hospitality given by some organisations may be greater than that of the PCC and to refuse might give offence. In these circumstances acceptance may be unavoidable but the PCC Board Chair, PCC Board Members and all staff shall always ensure that, whatever the scale of the hospitality, it shall not be seen as likely to compromise their integrity.

- (b) Staff shall decline other offers of hospitality or entertainment. If in doubt, advice shall be sought from the Chief Executive or Delegated Officer.
- (c) It is also recommended that guests shall not be offered hospitality:
 - (i) solely as a reciprocal gesture;
 - (ii) on an automatically recurrent or regular basis unless circumstances indicate that it is appropriate to do so (for example where long distances are travelled).

10.12.29 Internal Meetings and Recruitment Panels

- (a) Factors to take into account include: the duration of meetings; distance travelled; whether or not non public sector guests will be there; or whether the majority of those present work under the direct control of the chair.
- (b) It is suggested that if hospitality is to be extended it shall be limited to light refreshments and written approval shall be sought in advance from the appropriate senior officer.
- (c) In the case of recruitment panels it is recommended that lunches shall not normally be provided but the chair of the panel shall decide what is appropriate taking account of factors like time constraints prohibiting the panel taking lunch and the composition of the panel including the presence of an outside assessor.

10.12.30 Training Courses/Away Days/Seminars/Conferences

(a) Residential

It is normal practice for meals and light refreshments to be provided for delegates. Beverages (including alcohol) are permissible with evening meals up to a recommended limit of one third of the total cost of the meal.

(b) Non-residential

Lunch may be provided where it facilitates the running of the course or where alternative provision is not available. Written approval shall be sought in advance from the appropriate senior officer. Unless part of a fixed price package, beverages (with the exception of tea/coffee/fruit juice) shall not normally be provided with lunches.

10.12.31 Hospitality involving meals or venues outside the PCC (excluding training events)

- (a) The Chief Executive or Delegated Officer may approve such hospitality providing funds are available in their hospitality budgets
- (b) Prior written approval shall be obtained from the approving officer regarding:
 - the appropriateness of extending hospitality;
 - the type of hospitality proposed;
 - the scale and cost of hospitality proposed;
 - the guest list; and
 - the venue.
- (c) Only in exceptional circumstances shall recipients of official hospitality be allowed to approve, or instruct their staff to approve, such expenditure.

10.12.32 Situations not specifically covered by guidelines

It is recognised that there may be exceptional circumstances when hospitality shall be provided, in the interests of the PCC, that may not be covered above. In such situations **approval** shall be obtained, in writing, from the Chief Executive or Delegated Officer **before** expenditure is incurred. The request for approval shall give an indication of

- why the request falls outside the boundaries of what is normally allowable;
- why it is considered necessary to provide such hospitality

10.12.33 Authorising Payment Of Hospitality

In each case it is the responsibility of the delegated officer to ensure that the expenditure was properly approved in accordance with the Financial Schemes of delegation and that the hospitality extended falls within the terms approved.

10.12.34 Documentation

- (a) The purchase and payment for hospitality bought from external suppliers, irrespective of whether it is provided within or outside the body, shall be approved, authorised and documented in the same manner as the purchase of any type of goods or services
- (b) The documentation shall include:

- the written request for permission and approval to extend hospitality (see paragraph 7.7.8 above);
- if appropriate, evidence of having sought the best price;
- receipts/invoices detailing separately the purchase of food and beverage.

10.12.35 Hospitality and Subsistence Claims

The Chair, Chief Executive, Heads of Function and Officers shall be required to submit personal claims for appropriate expenses to the PCC for approval, through the Head of Development and Corporate Services.

Officers and Non-Executive Directors are reminded that claims for subsistence allowances are not allowed where meals are provided as part of a function attended.

10.13 CAPITAL EXPENDITURE, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

10.13.1 CAPITAL EXPENDITURE

10.13.2 The Chief Executive or Delegated Officer:

- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure;
- (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- (c) shall ensure that the capital investment is not undertaken without the resources to finance all revenue consequences, including capital charges; and) is required to seek Department approval for:
 - All capital projects with expenditure of £500k and above (in accordance with the Capital Investment Manual and DHSSPS Circular HSS(F)13/06 & DAO(DFP) 06/05).
 - All IT projects with expenditure of £250k and above

10.13.3 For every capital expenditure proposal the Chief Executive shall ensure

- (a) that a **business case** (in line with the guidance contained within the *Capital Investment Manual* – see Circular HSS(PDD)4/95 on 10th July 1995) is produced setting out:
 - i. an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
 - ii. appropriate project management and control arrangements; and
- (b) that the Head of Development and Corporate Services is satisfied with the reliability of the estimated costs and resource consequences detailed in the business case;
- (c) that Departmental approval is obtained for projects costing more than the PCC's delegated limit for capital schemes
- (d) schemes requiring Departmental approval are re-submitted to the Department for re-consideration if any of the conditions specified in the Capital Investment Manual apply.

10.13.4 For capital schemes where the contracts stipulate stage payments, the Chief Executive or Delegated Officer shall issue procedures for their management, incorporating the recommendations of 'Estatecode'.

The Head of Development and Corporate Services shall issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.

10.13.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive or Delegated Officer shall issue to the manager responsible for any scheme:

(a) authority to commit expenditure;

(b) authority to proceed to tender; and

(c) approval to accept a successful tender.

10.13.6 The Head of Development and Corporate Services shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

10.13.7 ASSET REGISTERS

10.13.8 The Chief Executive or Delegated Officer is responsible for the maintenance of register of assets concerning 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.

10.13.9 The *PCC* shall maintain an asset register recording fixed assets. The minimum data set to be held within this register

shall be as specified in the Capital Accounting Manual, September 2008, issued by the Department.

10.13.10 Additions to the fixed asset register must be clearly identified to an appropriate Officer 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 asset held under a finance lease and capitalised.

10.13.11 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).

10.13.12 The Chief Executive or Delegated Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

10.13.13 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual, September 2008, issued by the Department.

10.13.14 The value of each asset, where appropriate, shall be depreciated using methods and rates as specified in the Capital Accounting Manual, September 2008, issued by the Department.

10.13.15 The Chief Executive or Delegated Officer of the PCC shall calculate and pay capital charges as specified in the Capital Accounting Manual, September 2008, issued by the Department.

10.13.16 SECURITY OF ASSETS

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

10.13.18 The Chief Executive or Delegated Officer must approve asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets). This procedure shall 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; and
- (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

10.13.19 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Executive or Delegated Officer.

10.13.20 Whilst each Officer and Non-Executive Director has responsibility for the security of property of the PCC, it is the responsibility of the Senior Management Team to apply such appropriate routine security practices in relation to PCC property as may be determined by the PCC. Officers and Non-Executive Directors using portable PCC assets are responsible for the safe custody of those assets and the secure storage of those assets when unattended. Any breach of agreed security practices must be reported in accordance with instructions.

10.13.21 Any damage to the PCC's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported in accordance with the procedure for reporting losses.

10.13.22 Where practical, assets shall be marked as PCC property.

10.14 STORES AND RECEIPT OF GOODS

10.14.1 The PCC's need, to hold stores shall be minimal and mainly comprise of office supplies.

Stores, defined in terms of controlled stores and departmental stores (for immediate use) shall be:

(a) kept to a minimum;

(b) subjected to annual stocktake; and

(c) valued at the lower of cost and net realisable value.

10.14.2 Subject to the responsibility of the Head of Development and Corporate Services for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by her / him subject to such delegation being entered in a record available to the Head of Development and Corporate Services. The control of fuel oil shall be the responsibility of an appropriate officer.

10.14.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the Head of Development and Corporate Services. Wherever practicable, stocks shall be marked as *PCC* property.

10.14.4 The Head of Development and Corporate Services shall set out procedures and systems to regulate the stores including

records for receipts of goods, issues, and returns to stores, and losses.

10.14.5 Stocktaking arrangements shall be agreed with the Head of Development and Corporate Services and there shall be a physical check covering all items in store at least once a year.

10.14.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Head of Development and Corporate Services.

10.14.7 The nominated officer shall be responsible for a system approved by the Head of development and and Corporate Services for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The nominated officer shall report to the Head of Development and Corporate Services any evidence of significant overstocking and of any negligence or malpractice (see also 13, Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

10.14.8 For goods supplied via the BSO Regional Supplies Service, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Head of Development and Corporate Services who shall satisfy themselves that the goods have been received before accepting the recharge.

10.15 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

10.15.1 DISPOSALS AND CONDEMNATIONS

10.15.2 The Head of Development and Corporate Services must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

10.15.3 When it is decided to dispose of an PCC asset, the relevant Officer shall determine and advise the Head of Development and Corporate Services of the estimated/residual market value of the item, taking account of professional advice where appropriate.

10.15.4 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Head of Development and Corporate Services or designated Officer; and
- (b) recorded by the Officer with authority to condemn on a form approved by the Head of Development and Corporate Services which shall indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Head of Development and Corporate Services.

10.15.5 The Officer with authority to condemn shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Head of Development and Corporate Services who shall take the appropriate action

10.15.6 LOSSES AND SPECIAL PAYMENTS

10.15.7 The Chief Executive or Delegated Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments, in line with the requirements of Circular HSS(F)38/98.

10.15.8 Any Officer discovering or suspecting a loss of any kind must immediately inform their head of department, who must immediately inform the Chief Executive or Delegated Officer. Where a criminal offence is suspected, the Chief Executive or Delegated Officer must immediately inform the police if theft or arson is involved, but if the case involves the suspicion of fraud, then the particular circumstances of the case shall determine the stage at which the police are notified.

10.15.9 The Chief Executive or Delegated Officer must notify the DHSSPS of all frauds.

10.15.10 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Chief Executive or Delegated Officer must immediately notify:

(a) the PCC Board; and

(b) DHSSPS Director of Financial Management.

10.15.11 The write off of losses and special payments shall be in accordance with the guidelines issued under Circular HSS(F)38/98 which draws on the manual 'Managing Public Money' issued by the Department of Finance and Personnel.

10.15.12 Within limits delegated to it by DHSSPS, the Governance and Audit Committee on behalf of the PCC Board shall approve the write off of losses. Losses and special payments in excess of the delegated authority must be referred to the DHSSPS's Finance Policy and Accountability unit.

10.15.13 The Chief Executive or Delegated Officer shall be authorised to take any necessary steps to safeguard the PCC's interests in bankruptcies and company liquidations.

10.15.14 For any loss, the Chief Executive or Delegated Officer shall consider whether an insurance claim can be made against any applicable insurers.

10.15.15 The Chief Executive or Delegated Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.

10.15.16 The Governance and Audit Committee's approval shall be sought to the write off action prior to their disclosure in the Notes to the Annual Accounts.

10.15.17 No special payments exceeding delegated limits shall be made without the prior approval of the DHSSPS.

10.16.0 INFORMATION TECHNOLOGY

10.16.1 The Head of Development and Corporate Services, who is responsible for the accuracy and security of the computerised financial data of the *PCC*, shall in accordance with HPSS IT Security Policy/ies:

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the *PCC*'s data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard to the Data Protection Act 1998;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment; and
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he/she may consider necessary are being carried out.

10.16.2 The Head of Development and Corporate Services shall satisfy themselves that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy shall be obtained from them prior to implementation

10.16.3 In the case of computer systems which are proposed General Applications (ie normally those applications which HSC organisations wish to sponsor jointly) all responsible directors and employees shall send to the Head of Development and Corporate Services:

- (a) details of the outline design of the system;
- (b) the operational requirement, in the case of packages acquired either from a commercial organisation, from the HSC, or from another public sector organisation

10.16.4 The Head of Development and Corporate Services shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract shall also ensure rights of access for audit purposes.

10.16.5 Where another health organisation or any other agency provides a computer service for financial applications, the Head

of Development and Corporate Services shall periodically seek assurances that adequate controls are in operation.

10.16.6 Where computer systems have an impact on corporate financial systems the Head of Development and Corporate Services shall satisfy themselves that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Communications and Technology Strategy (ICT);
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Finance staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out; and
- (e) an out-turn statement comparing actual with forecast performance is produced. Special reference shall be made to any supplementary funding requirements.

10.17.0 RETENTION OF DOCUMENTS

10.17.1 Public Records Act (Northern Ireland) 1923

All HSC records are public records under the terms of Public Records Act (Northern Ireland) 1923. The Chief Executive and senior managers of the PCC are personally accountable for records management within the PCC. They have a duty to make arrangements for the safe keeping and correct disposal (under the Disposal of Documents Order (Northern Ireland) 1925) of those records under the overall supervision of the Deputy Keeper of Public Records whose responsibility includes permanent preservation.

10.17.2 The Public Records Act (Northern Ireland) 1923 made the Public Record Office of Northern Ireland (PRONI) responsible for the records of any Court, Government Department, or Office in Northern Ireland over which the Parliament of Northern Ireland has the power to legislate. It is therefore a statutory requirement for the PCC to implement records management as set out in the Act and in the Disposal of Documents (Northern Ireland) Order (1925). This Legislation means that the PRONI has an overarching responsibility within the public sector in Northern Ireland to ensure that records are managed in accordance with agreed policies and procedures. In particular:

PRONI must be involved in:

- quality assurance of all Disposal Schedules;
- the updating of Disposal Schedules

- the sampling of particular instance papers (case files)
- ensuring the proper use of microfilm and other non-paper based storage media
- Officers in the PRONI, the PCC, and the Permanent Secretary of the parent Department for PRONI (Department of Culture, Arts and Leisure (DCAL)), will be signatories to the Disposal Schedule;
- the PCC's head of Development and Corporate Services will monitor the implementation of an agreed Disposal Schedule and will advise PRONI if regular reviews are not being carried out
- the PCC is responsible for assessing the administrative need for the retention of records, the assessment of records for historical/research purposes is the responsibility of PRONI
- PRONI will be responsible for the storage of records identified for permanent preservation and which are no longer required by the HSC for administrative purposes.

10.17.3 The Department's Guidelines for managing records, Good Management, Good Records and the regular updates give an overview of the key issues and solutions, and best practice for HSC teams to follow when preparing a records management strategy. It represents the joint DHSSPS and PRONI view of how

records should be administered and sets the standards required of the HSC.

10.17.4 The Disposal Schedule in Good Management, Good Records has been approved by PRONI. It sets out minimum retention periods for HSC records of all types, except for GP medical records, and indicates which records are most likely to be appropriate for permanent preservation. It consolidates the guidance contained in Departmental circulars such as Retention of Personal Health Records (for Possible use in Litigation) – HSSE (sc) 3/96 and Preservation and Destruction of Financial and Associated Records – HSS (F) 14/2003. Its also explains the reasoning behind the determination of minimum retention periods, including legal requirements where relevant.

10.17.5 The Schedule does not replace the requirements for the PCC to develop and agree its own disposal schedule with PRONI. However, it should form the basis for such a schedule

10.17.6 The following group of people must officially sign all disposal schedules and in this order:

- Head of Records Management PRONI
- Chief Executive PRONI
- Permanent Secretary DCAL
- Chief Executive PCC
- Head of Development and Corporate Services

10.18.0 RISK MANAGEMENT

10.18.1 The Chief Executive shall ensure that the PCC has a systematic programme of risk identification, assessment and management and quality improvement processes which shall be approved and monitored by the Governance and Audit Committee on behalf of the PCC

10.18.2 The programme of risk management shall include:

- (a) a process for identifying and quantifying risks and potential liabilities; engendering among all levels of staff a positive attitude towards the identification and control of risk
- (b) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control
- (c) contingency plans to mitigate the impact of adverse event;
- (d) relevant audit arrangements including internal audit and health and safety reviews
- (e) arrangements to review the risk management programme on an annual basis, as stipulated by the Departmental Controls Assurance programme
- (f) A corporate risk register and assurance framework must be maintained and regularly reviewed (at least biannually

The existence, integration and evaluation of the above elements shall provide assurance on the adequacy of internal controls as required by HSS(F)13/98, Supplement 1 and subsequent guidance.

Appendices

Appendix 1 Chief Executive Schemes of Delegation

Appendix 2 Administrative Schemes of Delegation

Appendix 3 Financial Schemes of Delegation

Appendix 4 Governance and Audit Committee

Appendix 5 Local Advisory Committees

Schedule 1 UMC 1 Form

Schedule 2 UMC 2 Form

Chief Executive Schemes of Delegation

Appendix 1

This appendix refers to Section 4.2 of the Standing Orders

ITEMS	RESPONSIBILITY	CONTROLS	DELEGATED TO
4.2.1 Corporate Operational Matters	Matters which impact on the corporate operational performance of the PCC Board.	Timely submission required from appropriate Heads of department.	Senior Management Team
4.2.2 Corporate Plan	An accessible statement of the PCC Board's purpose, values and goals; and key actions to be undertaken by the PCC Board to deliver.	To be prepared annually.	Senior Management Team
4.2.3 Lead and Manage Individual departments	The operational management of individual departments including resources, leadership and development.	Responsive to corporate needs.	Individual Heads of departments
4.2.4 Financial Performance and Controls	Monitoring of in-year financial planning and performance	Regular reporting, appropriate internal audits and controls	Head of Development & Corporate Services
4.2.5 Control Assurance Standards	Ensure organisation implementation and compliance with the requirements of Controls Assurance Standards. (e.g. Fire Safety, Risk Management)	To be reported through the Governance & Audit Committee to the PCC Board	Head of Development & Corporate Services
4.2.6 Policy Approval Process to comply with Control Assurance Standards (CAS)	New policy proposals requiring approval in accordance with the CAS	Policies relating to internal management arrangements to be submitted to SMT for approval. ALL other policies have approval reserved to the PCC Board.	Senior Management Team

Administrative Schemes of Delegation

Appendix 2

This appendix refers to Sections 4.3.5 – 4.3.8 of the Standing Orders

**Relates to Section 4.3 of STANDING ORDERS
ADMINISTRATIVE SCHEMES OF DELEGATION
4.3.5 Delegation of Budgets for PCC Board Administration**

ITEMS	RESPONSIBILITY	CONTROLS	DELEGATED TO
<p>Authorisation and Approval of Non-Pay Expenditure for PCC Board Administration</p>	<p>The authorisation and approval of non-pay expenditure for PCC Board administration.</p> <p>Chief Executive further delegates these powers to Heads of function or nominated Officers within the budgets provided to them and the limits set out below.</p> <p>In turn, they may delegate them to named officers.</p>	<p>Within Limits set out below.</p>	<p>Chief Executive Heads of Function Nominated Officers</p>

Relates to Section 4.3 of STANDING ORDERS

**ADMINISTRATIVE SCHEMES OF DELEGATION
4.3.6 Procedure for Delegating Power to Authorise and Approve
Non- Pay Expenditure For PCC Board Administration**

<p>AUTHORITY TO INITIATE EXPENDITURE AND APPROVE PAYMENTS</p> <p>Authority to initiate expenditure and to approve the payment of invoices is delegated to the Chief Executive who delegates it to Heads of Function. They in turn may delegate these powers to named officers in their directorates.</p> <p>Each Head of Function shall nominate appropriate officers and The Head of Development and Corporate Services will compile a comprehensive list. The list (including specimen signatures) will be copied to the BSO. A copy shall be retained in each directorate for reference. The list shall be amended as necessary and reviewed at least annually; a revised version will be distributed.</p> <p>Expenditure in each specified category is only permitted within the budget provided for it.</p> <p>The nominated officers shall observe the limits delegated to them on the list (see above), which shall not be exceeded without express approval of the Chief Executive. They must also note their responsibilities in authorising expenditure to be incurred by the PCC.</p> <p><u>ROUTINE EXPENDITURE</u></p> <p><u>Definition</u> This is expenditure on goods and services for which a budget is provided and which is usually initiated by requisition and repeated periodically. Examples would include office supplies and consumables together with the maintenance of equipment and other establishment costs.</p> <p><u>Expenditure Limits</u> None. Within budgets</p>	
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Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.6 Procedure for Delegating Power to Authorise and Approve Non- Pay Expenditure For PCC Board Administration

<p><u>NON-ROUTINE EXPENDITURE</u></p> <p><u>Definition</u> This is expenditure which occurs on a once-only or occasional basis for which a budget may be provided. It may include books, periodicals, courses, travel, and equipment costing less than £5000.</p> <p><u>Expenditure limits</u> As provided by the Scheme of Delegation within the budget or approved funding.</p> <p><u>No Budget or Approved Funding:</u> If no budget or specifically approved funding exists for any such proposed expenditure, a Head of function or nominated Officer is to consult the Head of Development and Corporate Services to identify a possible source of funds. A submission may then be prepared for the Senior Management Team seeking the authorisation of the Chief Executive for the proposed expenditure and its funding.</p> <p><u>Specific Items</u> Individual procedures applies to the Use of Management Consultants</p> <p><u>CAPITAL EXPENDITURE</u></p> <p><u>Definition</u> Capital expenditure is defined in The HPSS Capital Accounting Manual. The essential elements are that there is a tangible asset capable of use for more than one year and that the expenditure exceeds £5,000.</p> <p><u>Expenditure Limits</u> As provided by the Scheme of Delegation within the budget or approved funding.</p>	
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Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.7 Procedure for Quotations and Tendering of Non- Pay Expenditure For PCC Board Administration

Financial Limits		Requirement
<u>Order Value</u> Up to and including £2,000		<u>Requirement</u> Quotations not required.
£2,000	£10,000	Tenders or written quotations from not less than three suppliers
£10,000	£30,000	Tenders or written quotations from not less than four suppliers
£30,000	£144,731	Ten days public notice in at least two newspapers in N Ireland and in such other publications as considered necessary by the PCC by RBSO
Goods •> £144,731		Contracts for goods for more than £144,731 are subject to The Public Supply Contracts Regulations 1995 - requiring advertising in the Supplement to The Official Journal of the European Community (OJEC).
Services •> £144,731		Contracts for services for more than £144,731 are subject to The Public Services Contracts Regulations 1993 requiring advertising in the Supplement to The Official Journal of the European Community (OJEC).

PLACING OF ORDERS

- For orders falling within the first four financial limits above BSO shall order under contracts already negotiated by tendering procedures OR shall institute the tendering process on behalf of the requisitioning officer.
- When selecting suppliers to be invited to submit a quotation or tender for procurements below £30,000, contracting authorities should provide opportunities for Small and Medium sized Enterprises (SMEs) to compete for business in line with Procurement PCC Board's policy.

- For orders falling within the final two financial limits above officers are advised to consult the Head of Development and Corporate Services reference shall also be made to:
 - the Department's circular "Contract Procedure- Supplies"
 - HSS(WS2)1/74 as amended by HSS(PPM)03/06;
 - Standing Financial Instructions paragraphs 10.12.5 and 10.12.9.

Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.8 Procedure for Use of Management Consultants and Research Contracts for Non-Pay Expenditure for PCC Board Administration

INTRODUCTION

The HSS Executive's circular HSS(F) 20/96 and supplement 1 issued on 20 October 2008 deals with the Use of Management Consultants by HSS bodies

It applies to **all** contracts for 'consultancy services' and deals with the management and monitoring of such assignments. The PCC Board has directed that the term 'consultancy services' shall be taken to include research carried out on its behalf by any body (NHS or non-NHS)

Against this background the PCC Board has drawn up the following procedure to ensure compliance with this guidance and to enable the PCC Board's officers to carry out their delegated tasks with the assurance that they have achieved value for money, selected the best consultants for the job, followed Standing Orders and other procedures and managed the assignment in a professional manner.

DELEGATION

The PCC Board requires that **all** proposed use of management consultants or proposals for research **must** be submitted to the Chair or Chief Executive for authorisation, through the Head of Development and Corporate Services, **BEFORE** engaging or going out to tender.

The authorisation framework and thresholds shall be applied as set out for non-pay expenditure.

The sponsoring directorate(s) shall complete a Proposal to Engage Management Consultants Form (UMC1), (see Schedule 1), have it signed by the nominated Officer taking lead responsibility for the assignment and submit it for authorisation by the Chair, Chief Executive or Head of Development and Corporate Services

Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.9 Procedure for Use of Management Consultants and Research Contracts for Non-Pay Expenditure for PCC Administration

	<p>Appropriate SMT members shall be consulted before making a decision on whether the relevant skills and expertise are available internally.</p> <p>TENDERING</p> <p>The use of consultants is subject to the normal contract procedures as referred to in Standing Orders, Administrative/Financial Schemes of Delegation for Non-Pay Expenditure, see above.</p> <p>The Procurement Control Limits applicable to the use of consultants are as follows:</p>	
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THRESHOLDS		<u>Requirement</u>
<u>Order Value</u> Up to and including £1,000		1 or 2 Oral Quotations depending on the need to have a price comparison (fax or e-mail confirmation should be obtained).
£1,000	£10,000	Tenders from not less than three suppliers
£10,000	£30,000	Tenders from not less than four suppliers
£30,000	£144,731	Publicly advertised open or restricted tender competition

	<p>Where an exception is to be made under *paragraph 4.2 of circular HSSF (20/96), appropriate SMT members shall be consulted about the suitability of particular individuals or firms where the ground for exception is the requirement for qualities or expertise so rarely available that there is no effective competition</p>	
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Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.8 Procedure for Use of Management Consultants and Research Contracts for Non-Pay Expenditure for PCC Board Administration

	<p>LIAISON WITH DEPARTMENT OF HEALTH, SOCIAL SERVICES AND PUBLIC SAFETY</p> <p>The circular requires that the Department's Policy and Accountability Unit is notified in all instances where there is a case for management consultants being employed. The PCC Board has decided that in all cases the notification directed via the Head of Development and Corporate Services, who shall provide advice on the completion of forms and the notification to the Department.</p> <p>The circular also requires the approval of the Department's Policy and Accountability Unit before going out to tender where the fees are likely to exceed £20,000.</p> <p>As above, the Head of Development and Corporate Services shall advise on the referral for approval and shall be the primary point of contact with the Department's Policy and Accountability Unit.</p>	
	<p>EVALUATION</p> <p>The circular requires that the PCC Board shall evaluate the proposals and it lists matters to be taken into account. Under the PCC Board's Scheme of Delegation the evaluation shall be carried out by a project team or steering Committee set up by the sponsoring directorate(s). The Chair or Chief Executive must ratify the decision. The tender evaluation documents and records must be retained - see also "Records" section below.</p>	
	<p>Exceptional circumstances may justify departure from procedure. record must be made of such special considerations and presented to Chief Executive or Chair to receive authority to proceed.</p>	

Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.8 Procedure for Use of Management Consultants and Research Contracts for Non-Pay Expenditure for PCC Board Administration

	<p>ENGAGEMENT OF CONSULTANTS</p> <p>The PCC's standard letter of contract shall be used. Where it is deemed necessary to depart from this, advice shall be sought from the Head of Development and Corporate Services.</p> <p>MONITORING</p> <p>The sponsoring directorate or steering Committee must appoint an officer to manage the consultancy assignment.</p> <p>FEES AND EXPENSES</p> <p>For all expenditure an Approval of Payment Form (UMC2), (See Schedule 2), must be completed and approved by the Chair, Chief Executive, Head of Function or nominated Officer.</p>	
	<p>FINANCIAL MONITORING</p> <p>The Head of Development and Corporate Services is responsible for maintaining the records of expenditure on assignments completed and/or started during each year, which are required by the circular, and for submitting the annual return to the Department.</p> <p>The officer identified as the manager in the MONITORING section above is responsible for advising the Head of Development and Corporate Services of expenditure on the project.</p> <p>REPORT</p> <p>The appointed officer and/or the steering Committee/project team shall complete the report recording the assessment of the consultant, which the circular requires. It shall then be forwarded to the Head of Development and Corporate Services for onward submission to the Department.</p>	

Relates to Section 4.3 of STANDING ORDERS

ADMINISTRATIVE SCHEMES OF DELEGATION

4.3.8 Procedure for Use of Management Consultants and Research Contracts for Non-Pay Expenditure for PCC Board Administration

RECORDS

The monitoring officer shall set up a contract file which includes:

- terms of reference / consultants brief;
- evidence of DHSSPS notification and approval
- evidence of notification to staff association;
- evaluation criteria;
- copies of all the consultants proposals;
- details of the shortlisting and final selection process;
- the letter of contract and any variations;
- records of payments;
- implementation plans, and
- project evaluation details

CONSULTATION WITH STAFF

The circular requires that staff associations shall be advised when it is proposed to use consultants.

The officer leading the assignment shall be responsible.

EMPLOYMENT OF I.T. CONSULTANTS

In addition, the Information Management Group of the NHS HSS Executive has produced a guide on "The Procurement and Management of Consultants within the NHS". The Department has issued this as a model of good practice.

Volume One focuses on the general issues of which senior management shall be aware and Volume Two on the practical details for a manager purchasing consultancy services.

Any enquiries in connection with the above shall be addressed, in the first instance, to the Head of Development and Corporate Services.

Financial Schemes of Delegation

This appendix refers to Sections 4.4.1 – 4.4.4 of the Standing Orders

Relates to Section 4.4 of STANDING ORDERS

FINANCIAL SCHEMES OF DELEGATION

4.4.1 Procedure for Delegation of Budgets

	<p>The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and accompanied by a clear definition of:</p> <ul style="list-style-type: none"> (a) the amount of the budget; (b) the purpose of each budget headline (c) individual and group responsibilities; (d) Authority to exercise virement within total revenue or total capital; (e) achievement of planned levels of service; and (f) the provision of regular reports. 	<p>Standing Financial Instructions Section 1.3</p>
	<p>PRINCIPLES OF DELEGATION</p> <p>Control of a budget shall be set at a level at which budget management can be most effective.</p> <p>Whilst the Chief Executive retains overall responsibility for budgets, they may be delegated to Heads of Function or nominated Officers who may, in turn, delegate the management of a budget to officers under their span of control.</p> <p>A list of the officers so authorised shall be forwarded to the Head of Development and Corporate Services.</p>	
	<p>GENERAL</p> <p>All expenditure is to be included in the budgetary system and all items must be coded to a budget heading. Where additional funding is required outside the budgetary framework for prospective expenditure the relevant Head of Function or nominated Officer shall prepare a submission to the Senior Management Team.</p>	

Relates to Section 4.4 of STANDING ORDERS

FINANCIAL SCHEMES OF DELEGATION

4.4.1 Procedure for Delegation of Budgets

TIMETABLE

The Head of Development and Corporate Services shall have discussions with designated budget holders in February and March of each year and submit proposed budgets to the Chief Executive for approval in March of each year. The delegation of budgets shall be arranged before 1 April each year.

VIREMENT

The rules governing virement are important. Virement powers cannot be unlimited as otherwise the initial budgetary decisions of the PCC Board could be nullified. Virement rules which are too restrictive, however, will not then allow the freedom to manage. The PCC Board wishes to permit the optimum flexibility through virement, subject to its own priorities and plans. Virement is permissible except where expressly excluded as below:-

- **no virement** between capital and revenue budgets is permitted except with the **written** permission of DHSSPS;
- no virement from a non-recurrent to a recurrent purpose is permitted;
- all non-recurrent virements must be agreed within a period of account and certainly no longer than one year;
- locally planned savings are available to the budget holder on a recurring basis at the discretion of the Head of Function or nominated Officer involved;
- savings arising from PCC policy changes or from imposed cuts are not available to the budget holder;
- fortuitous savings are at the disposal of budget holders in the same way as planned savings;
- where timing delays, such as the late delivery of capital equipment, mean that expenditure is not incurred in one period of account, the "savings" are not available for virement until the postponed expenditure in the following period of account has been committed;

Budget holders must confirm their agreement to the Head of Development and Corporate Services in writing and the proposed virement must then be submitted to SMT to be approved by the Chief Executive.

Relates to Section 4.4 of STANDING ORDERS

FINANCIAL SCHEMES OF DELEGATION

4.4.1 Procedure for Delegation of Budgets

OVERSPENDS AND UNDERSPENDS

The written consent of the Chief Executive must be obtained before incurring any overspends which cannot be met by virement.

Any funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

Relates to Section 4.4 of STANDING ORDERS

FINANCIAL SCHEMES OF DELEGATION

4.4.2 Authorisation & Approval Of PAYROLL Expenditure for PCC Board administration

AUTHORITY TO INITIATE AND APPROVE PAYROLL EXPENDITURE

The power to authorise payroll expenditure is delegated to the Chief Executive as determined by the framework approved by the Remuneration and Terms of Service Committee on behalf of the PCC Board.

The power to appoint a member of staff is delegated to members of the relevant interview panel provided that approval has been obtained from the Chief Executive to initiate the recruitment process.

This applies to new posts or replacement staff for both permanent and temporary appointments.

Additional payroll costs such as overtime payments are delegated to Heads of Function and nominated Officers to authorise, providing they remain within the total funds for the individual budget concerned.

Relates to Section 4.4 of STANDING ORDERS

FINANCIAL SCHEMES OF DELEGATION (SO.4.5)

4.4.3 Authorisation and Approval of Non-Pay Expenditure For PCC Board Administration

<p>Financial Limits</p> <p>Not required Limits may be varied</p> <p>Up to £2,000 Over £2,000 Over £10,000</p> <p>Up to £20,000 £20,000 and above Any amount</p>	<p>The responsibility for the authorisation and approval of non-pay expenditure for PCC Board administration is delegated to the Chief Executive. Chief Executive further delegates these powers to Heads of function and nominated Officers within the budgets provided to them and the limits set out below. In turn, they may delegate them to named officers.</p> <p>1. <u>Routine Revenue Expenditure</u></p> <ul style="list-style-type: none"> • Within budget limits <p>2. <u>Non-Routine Revenue Expenditure</u> within budget or ear-marked funds:</p> <ul style="list-style-type: none"> – By authorised officers – By Head of Function / nominated Officer – By Chief Executive <p>no budget or ear-marked funds:</p> <ul style="list-style-type: none"> – submission to SMT <p>Use of Management Consultants (and Research Contracts): <u>Authorisation of proposed use:</u></p> <ul style="list-style-type: none"> – Chair and Chief Executive and notify Policy & Accountability Unit – Chair and Chief Executive plus authorisation of Policy & Accountability Unit <p><u>Approval to pay:</u></p> <ul style="list-style-type: none"> – Chair and Chief Executive 	
<ul style="list-style-type: none"> • <£50,000 • >£50,000 	<p>3. <u>Capital Expenditure</u></p> <ul style="list-style-type: none"> • Chief Executive • PCC Board 	
<ul style="list-style-type: none"> • <£50,000 • >£50,000 	<p>4. <u>Disposal of PCC Board Assets</u></p> <ul style="list-style-type: none"> • Chief Executive • PCC Board 	

Relates to Section 4.4 of STANDING ORDERS

**FINANCIAL SCHEMES OF DELEGATION (SO.4.5)
4.4 Authority To Initiate And Approve Cash Advances To
HSC Bodies**

	FUNCTION	
	<p>CASH ADVANCES</p> <p>The responsibility for the authorisation and approval of Cash Advances to HSC Bodies is delegated to the Head of Development and Corporate Services or officer approved by Chief Executive to act up in his/her absence.</p> <p>Cash advances may be made in the following circumstances: -</p> <p>To HSC bodies in Northern Ireland</p> <p>When it is judged that it is necessary to ensure continuity of health and social care provision and/or timely payments of HSC staff and suppliers.</p> <p>Written confirmation to be obtained from receiving body that the cash advanced shall be restored to the PCC Board as soon as possible within the same financial year.</p> <p>Limits of Authority</p> <p>The aggregate of all such cash advances in any single financial year shall not exceed 1% of revenue allocation in that year</p>	

Appendix 4

GOVERNANCE AND AUDIT COMMITTEE

Contents

1.0 Remit and Constitution

- 1.1 Introduction
- 1.2 Role
- 1.3 Terms of Reference
- 1.4 Composition of Governance and Audit Committee
- 1.5 Establishment of a Governance and Audit Committee
- 1.6 Relationship with Governance Officer Group
- 1.7 Relationship with Internal Audit
- 1.8 Relationship with External Audit

2.0 Conduct of Business

- 2.1 Attendance
- 2.2 Frequency of Meetings

GOVERNANCE AND AUDIT COMMITTEE

1.0 REMIT AND CONSTITUTION

1.1 Introduction

The Health and Social Services (Reform) (NI) Order 2008 applies.

- 1.1.1 The Minister's letter of November 1994 directed HSS Boards to implement the Codes of Conduct and Accountability. The Code of Accountability specified the requirement for an Audit Committee to be established by HSS Boards and Circular HSS(PDD)8/94 set out detailed guidance on how this shall be done
- 1.1.2 Circular HSS (PPM) 6/2002 announced that the DHSSPS, in recognition of the importance of a sound system of risk management, had entered into a license agreement with Standards Australia for the use of their internationally recognised risk management standard AS/NZS 4360:1999 (now updated to 2004 model). The application of this internationally recognised approach to risk management would be seen as an important piece of evidence in support of a Statement of Internal Control.

The application of Controls Assurance standards within the HPSS, was announced in Circular HSS (PPM) 8/2002. This process would enable individual HPSS organisations to provide evidence that they are doing their reasonable best to protect users, staff, the public and other stakeholders against risk of all kinds. It is a means by which Chief Executives as Accountable Officers can discharge their responsibilities and provide assurances to the Department, the Assembly and the Public.

1.1.4 In January 2003 the DHSS&PS issued guidance under Circular HSS (PPM) 10/2002, specific to clinical and social care governance. The guidance was to enable HPSS organisations to formally begin the process of developing and implementing clinical and social care governance arrangements within their respective organisations and set a framework for action which highlighted the roles, responsibilities, reporting and monitoring mechanisms that are necessary to ensure delivery of high quality health and social care.

1.1.5 The circular also stipulated the requirement that this new guidance should be read in the context of previous guidance already issued on the implementation of a common system of risk management and the development of controls assurance standards for financial and organisational aspects of governance.

The Board of the PCC have agreed the following process, which should kept under review in light of any subsequence guidance.

1.1.6 If required a group of PCC Board officers who are representative of all of the functional areas of the Board of the PCC shall form a Governance Officer Group and be chaired by the Head of Development and Corporate Services, who shall also provide administrative support.

1.1.7 The traditional remit of an Audit Committee has been extended to include an integrated governance approach encompassing

financial governance and organisational governance. Both are underpinned by sound systems of risk management

1.2. Role

1.2.1 The PCC Board is responsible for:

- (a) management of its activities in accordance with laws and regulations; and
- (b) the establishment and maintenance of a system of internal control designed to give reasonable assurance that:
 - assets are safeguarded;
 - waste and inefficiency are avoided;
 - reliable financial information is produced; and
 - value for money is continuously sought

1.2.2 The Committee assists the PCC Board in these functions by providing an independent and objective review of:

- all control systems;
- the information provided to the PCC Board;
- compliance with law, guidance and codes of conduct and accountability; and
- Governance processes within the PCC Board.

1.2.3 The Committee shall give an assurance to the Board of the PCC each year on the adequacy and effectiveness of the system of internal control in operation within the PCC.

1.2.4 The Chair of the Committee should report to the PCC Board on a regular basis on the work of the Committee.

1.3 Terms of Reference

These are to be kept under review in light of emerging or changing accountability arrangements for the PCC.

1.3.1 The Committee shall undertake the following tasks:

- Review and recommend the PCC Board approve the Governance Strategy and Governance Assurance Framework.
- Review and approve the Annual Governance Implementation Plan in accordance with the Governance Strategy.
- Review any monitoring reports of the Governance Officer Group if established; and
- Provide assurance to the PCC Board that governance is being appropriately managed in line with the Governance Strategy.
- Review verification reports and assurance reports from internal audit assignments and management's responses;
- Prior to the external audit, discuss the audit plan with the auditor including the reliance to be placed on internal audit;
- Review the external auditor's report to those charged with Governance and management's response;
- Seek annual assurance of the independence of the PCC Board's external and internal auditors.
- Consider any report of the Public Accounts Committee or the Comptroller and Auditor General involving the PCC Board and review management's proposed response before presentation to the PCC Board.

1.3.2 The responsibility for internal control rests with management. The Governance and Audit Committee shall review its scope and effectiveness

1.3.3 The Governance and Audit Committee shall also:

- Review proposed changes to standing orders and standing financial instructions;
- Examine the circumstances associated with each instance when standing orders are waived;
- Review all proposed losses for write-off and compensation payments and make recommendations to the PCC Board;
- Approve accounting policies and subsequent changes to them;
- Monitor the implementation of the Codes of Conduct and Accountability thus offering assurance to the PCC Board of probity in the conduct of business; and
- Monitor and review the effectiveness of the PCC Board's Counter Fraud programme.

1.4 Composition of the Governance and Audit Committee

1.4.1 The Committee shall comprise a minimum of four PCC Board members with a quorum of three. Specialist Advisors may be invited and shall attend meetings of the Committee and shall participate fully in the discussions but shall not be able to vote.”

1.4.2 None of these members shall be the Chair of the PCC Board although he/she may be invited to attend meetings that are discussing issues pertinent to the whole PCC Board.

1.4.3 The Heads of Functions of the PCC, the internal and external auditors and the Chair of a Governance Officer Group, if established, may attend the Committee by invitation and others may also be required to attend as necessary.

1.4.4 Where possible, at least one member of the Committee shall have financial expertise.

1.4.5 The members shall select a Chair of the Committee from among their number.

1.5 Establishment of a Governance and Audit Committee

1.5.1 The Governance and Audit Committee is to be constituted as a Committee of the PCC Board to act with independence. The terms of reference of the Committee are to be approved by the PCC Board and recorded in the PCC Board minutes.

1.5.2 Governance and Audit Committee meetings shall be conducted formally and minutes submitted to the PCC Board at its next meeting in accordance with section 6.2.20.

1.5.3 The Committee shall expect to meet at least four times per year. Agendas and briefing papers shall be prepared and circulated in sufficient time for members to give them due consideration.

1.5.4 As part of one of the meetings, members shall consider the internal and external audit plans and at another meeting, shall review the annual report of the External Auditor. There shall be an

opportunity for the Committee to meet the External Auditor once a year without the Chair of PCC Board and officers being present

- 1.5.5 If the Committee is of the view that there is evidence of an ultra vires transaction or the committing of improper acts, the Chair of the Governance and Audit Committee shall present the facts to a full meeting of the PCC Board. Exceptionally, the matter may need to be referred to the DHSSPS (to the Director of Financial Management in the first instance).

1.6 Responsibilities for Governance

1.6.1 The responsibilities of the Heads of Functions with respect to governance are as follows:

- To advise/report to the Chief Executive and Governance and Audit Committee on PCC Board wide Governance issues, including policies and procedures, quality improvement, trends, sharing and learning lessons learnt ensuring mechanisms are in place to prevent re-occurrence.
- To develop a clear Governance Strategy and Governance Assurance Framework.
- To develop and maintain a live Risk Register at both Corporate and Functional levels across the PCC, highlighting areas of concern for the PCC Board and to recommend action to PCC Board Officers, and the Governance and Audit Committee.
- To develop the annual governance implementation plan in accordance with the governance strategy.
- To put in place mechanisms to assess and monitor compliance with Quality, Controls Assurance and any other relevant standards and recommend action plans by officers and the Governance and Audit Committee.
- To compile regular reports and an annual report to Chief Executive and to the Governance and Audit Committee on Governance and advise on the Statements of Internal Control.

1.6.2 The Governance and Audit Committee shall review this work in order to give assurance to the PCC Board that governance has been effectively managed, and to allow the Chief Executive to sign the bi-annual Statements of Internal Control.

1.7 Relationship with Internal Audit

1.7.1 The Governance and Audit Committee must obtain the necessary information to assure the PCC Board that the systems of internal control are operating effectively and for this they shall rely on the work of Internal Audit together with the External Auditor.

1.7.2 The Governance and Audit Committee shall receive reports of findings on internal control. These reports shall form the basis of the Committee's conclusions and recommendations. The Head of Development and Corporate Services is responsible for the management of internal audit arrangements. The Committee shall participate in the selection process when an internal audit service provider is changed.

1.7.3 A nominated officer is responsible for securing an internal audit service. A direct reporting line, independent of the Chief Executive and other Executive Directors, shall be available to the Chair of the Governance and Audit Committee.

1.8 Relationship with External Audit

- 1.8.1 The Governance and Audit Committee shall rely upon the certification of the accuracy, probity and legality of the Annual Accounts provided by the External Auditor, combined with the more detailed internal audit review of systems and procedures in discharging its responsibilities for ensuring sound internal control systems and accurate accounts and providing such assurances to the PCC Board
- 1.8.2 The External Auditor shall provide an independent assessment of any major activity within his remit and a mechanism for reporting the outcome of value for money or regularity studies. PCC Board members shall raise any significant matters which cause them concern.
- 1.8.3 The Northern Ireland Comptroller and Auditor General is the appointed External Auditor. He may appoint independent companies as external auditor. The Governance & Audit Committee has a duty to ensure that an effective External Audit service is provided. Officers shall offer advice to the Committee in their annual assessment of the performance of the External Audit Service. The Committee shall also monitor the extent and scope of co-operation and joint planning between external and internal audit. Any problems shall be raised with the External Auditor.

2.0 CONDUCT OF BUSINESS

2.1 Attendance

- 2.1.1 Only the members of the Committee, the specialist advisors and the nominated senior officer (who acts as secretary to the Committee), shall attend meetings as a matter of course together with appropriate administrative support staff.
- 2.1.2 The PCC'Board's Chair and PCC Board Members may be invited to attend as required. The Chief Executive and the Heads of Function shall have a standing invitation to attend all meetings except the annual meeting with the External Auditor when it is stipulated that no Officers shall attend (see 2.1.3 below).
- 2.1.3 The External Auditor shall be invited to attend any meeting of the Committee. Once a year the Committee shall meet the External Auditor without the presence of officers.
- 2.1.4 A nominated senior officer is responsible for securing the internal audit service for the PCC Board. He / she shall ensure the management respond promptly to Internal Audit reports and shall monitor the performance of the Internal Audit Service on behalf of the Committee.
- 2.1.5 Any member of staff of the PCC may be required to attend a meeting of the Committee as necessary.
- 2.1.6 The Head of Development and Corporate Services shall ensure the servicing of the committee.

2.2 Frequency of Meetings

2.2.1 Routine meetings are to be held four times per year with a specific remit as the core of each meeting, although any appropriate matters may be considered at any meeting. Further meetings may be arranged at the discretion of the Chair as necessary.

2.2.2 The following is an outline timetable together with the suggested content of each meeting:

MEETING	MONTH	CORE CONTENT
1	March	Governance Monitoring Report Governance Annual Report Internal and External audit plans for following year. Governance Implementation Plan. Annual Counter Fraud Reports and Plans.
2	June	Governance Monitoring Report. Internal audit reports. Annual Review of Standing Orders. Meeting with External Auditor. Audit report on PCC Board's Annual Accounts for previous year presented by External Auditor. Assurance on the adequacy of the system of internal control.
3	September	Governance Monitoring Report. Review of value for money work of PCC Board
4	November	Internal audit reports. Governance & Risk management monitoring report.

Local Advisory Committees

The PCC will establish committees called Local Advisory Committees. The LACs will be co-terminous with the five local PCC offices.

The five LACs will be as follows:

- Belfast LAC
- South Eastern LAC
- Northern LAC
- Southern LAC
- Western LAC

Each local advisory committee shall exercise such functions with respect to the work of the PCC as may be prescribed by the PCC Board. The PCC Board will also prescribe the membership of the LACs and the frequency of meetings

Terms of reference

Each LAC must exercise its function with the aim of supporting the core PCC functions of:

- (a) representing the interests of the public;
- (b) promoting involvement of the public;
- (c) providing assistance (by way of representation or otherwise) to individuals making or intending to make a

complaint relating to health and social care for which a body to which this section applies is responsible;

- (d) promoting the provision by bodies to which this section applies of advice and information to the public about the design, commissioning and delivery of health and social care;

Establishment of the LACs

The LACs will be constituted to fulfil terms of reference approved by the PCC Board and recorded in the Board minutes.

Schedule 1

UMC 1 Form

TO: Chief Executive

DHSS MANAGEMENT CONSULTANCY DATABASE

PROPOSAL TO ENGAGE MANAGEMENT CONSULTANTS

1.0 DHSSPS BODY DETAILS

1.1 Name & Telephone No :

1.2 Contact Name :

1.3 Contact Telephone No :

2.0 ASSIGNMENT DETAILS :

2.1 Proposed Management Consultants to be engaged :

2.2 Assignment Title :

**2.3 Terms of Reference
(attach separate page if necessary)**

2.4 Period of Assignment:

From:

To:

2.5 Have other options been considered? Give Details :

2.6 Anticipated Cost : (NB Source of funding **must be identified)**

£

Total Fees
Total Expenses

TOTAL COST:

=====

2.7 Source of Funds :-

3.0 Business Case

Has a Business case been prepared? **Y/N**
If Yes please attach.

N.B. For assignments over £20,000 some form of Option Appraisal **MUST** be included.

4.0 Proposed Contract to be determined on basis of

- ◆ Tender (through RSS)

- ◆ Continuation of previous contract because:

(Estimate of additional work: + ... % of original contract.)

- ◆ Only firm capable of carrying out work because:

NB: Provide copies of previous contracts and any other supporting documentation.

5.0 Additional Information

Any other relevant information to support the use of Management Consultants:

6.0 APPROVAL OF PROPOSAL

6.1 I request approval for the above assignment:

Signature of Senior Manager _____ Date _____

6.2 Signature of Chair Chief Executive _____ Date _____

Schedule 2

UMC 2 Form

TO: Head of Development and Corporate Services

USE OF MANAGEMENT CONSULTANTS

APPROVAL OF PAYMENT

1.0 ASSIGNMENT DETAILS

1.1 Title:

1.2 Name and Address of Firm of Consultants:

1.3 Names of Consultant(s) on Assignment:

1.4 Terms of Reference:

1.5 Period of Assignment:

From:

To:

1.6 Total Cost Quoted:

£

Total fees

Total Expenses

TOTAL COST:

NB Provide copies of contracts, letters of instruction, variation letters and any other relevant documentation.

2.0 APPROVAL OF PROPOSAL

2.1 Approval per form UMC1 signed by Chief Executive/Chair

(See copy previously supplied.)

3.0 APPROVAL OF EXPENDITURE

3.1 I approve the payment of the enclosed invoice No..... dated..... from

3.2 The assignment is on time and should be completed within the total cost agreed:

£

Total Cost Agreed

Paid to Date _____

Less this Invoice _____

BALANCE

--

Signed: _____

Title:

Date:

NB If this is not the case:

◆ Likely variation in timing:

◆ Likely variation in cost:

◆ Reasons:

◆ Proposals for seeking supplementary approval and funding: