

NHS Orkney Board

26 June 2019

Purpose of Meeting

NHS Orkney Board's ***purpose*** is simple, as a Board we aim to **optimise health, care and cost**

Our ***vision*** is to '***Be the best remote and rural care provider in the UK***'

Our **Corporate Aims** are:

- Improve the delivery of safe, effective patient centred care and our services;
- Optimise the health gain for the population through the best use of resources;
- Pioneer innovative ways of working to meet local health needs and reduce inequalities;
- Create an environment of service excellence and continuous improvement; and
- Be trusted at every level of engagement.

Quorum:

Five members of whom two are Non-Executive Members (one must be chair or vice-chair) and one Executive Member

Orkney NHS Board

There will be a meeting of **Orkney NHS Board** in the **Brodgar Room, The Balfour, Kirkwall** on **Wednesday 26 June 2019** at **11:30 a.m.**

Ian Kinniburgh
Chair

Agenda

Item	Topic	Lead Person	Paper Number	Purpose
1	Apologies	Chair		To <u>note</u> apologies
2	Declaration of interests	Chair		To <u>update</u> the Board on new general or specific declarations of interest
3	Minutes of previous meetings held on 25 April 2019	Chair		To check for accuracy, <u>approve</u> and <u>signature</u> by Chair
4	Matters arising	Chair		To <u>seek assurance</u> that actions from the previous meeting have been progressed
5	Board action log	Chief Executive		To <u>monitor progress</u> against the actions due by the meeting date and to agree corrective action where required
6	Governance			
6.1	Governance Committee Annual Reports for 2018-19		OHB1920-12	To <u>provide</u> a summary of the assurance process for 2018/2019 and note the Governance Committee Annual Reports
6.1.1	Audit Committee Annual Report	Committee Chair		
6.1.2	Finance and Performance	Committee Chair		

Item	Topic	Lead Person	Paper Number	Purpose
	Committee Annual Report			
6.1.3	Clinical and Care Governance Committee Annual Report	Committee Chair		
6.1.4	Staff Governance Committee Annual Report	Committee Chair		
6.1.5	Remuneration Committee Annual Report	Committee Chair		
6.2	Code of Corporate Governance	Head of Corporate Services	OHB1920-13	To <u>approve</u> as recommended by Audit Committee
6.3	Sturrock Review – update	Chief Executive	OHB1920-14	To <u>note</u> the update
6.4	Integration Joint Board – Chair and Vice Chair appointments	Chair	OHB1920-15	To <u>note</u> the update
7	Annual Accounts			
<u>Not to be made public until laid before Parliament</u>				
7.1	Annual Accounts for year 2018/19			To <u>approve</u> as recommended by Audit Committee
7.2	Annual Audit report			To <u>note</u> the report
Break to sign accounts				
<i>*Comfort Break*</i>				
8	Clinical Quality and Safety			
8.1	Infection Prevention	Medical Director	OHB1920-	To <u>review</u> and seek

Item	Topic	Lead Person	Paper Number	Purpose
	and Control Report		16	assurance on performance
8.2	Area Clinical Forum Chairs report and minute from meeting held 4 April 2019	Area Clinical Forum Chair		To <u>adopt</u> the approved minutes
9	Person Centred			
9.1	Patient Feedback Annual report 2018/19	Head of Transformational Change and Improvement	OHB1920-17	To <u>approve</u> for submission to the Scottish Government by the 30 June 2019
10	Workforce			
	Staff Governance Committee Chairs report and minute from meeting held 20 February 2019	Staff Governance Committee chair		To <u>note</u> the Committee Chair's Report and <u>adopt</u> the approved minutes
11	Organisational Performance			
11.1	Financial Management Performance Report	Interim Director of Finance	OHB1920-18	To <u>review</u> the in year financial position and <u>note</u> the year to date position
11.2	Performance Management Report	Head of Transformational Change and Improvement	OHB1920-19	To <u>scrutinise</u> report and <u>seek assurance</u> on performance
11.3	Chair's Report – Finance and Performance Committee and minute of meeting held on 28 March 2019	Finance and Performance Committee Chair		To <u>note</u> the Committee Chair's Report and <u>adopt</u> the approved minutes

Item	Topic	Lead Person	Paper Number	Purpose
12	Risk and Assurance			
12.1	Chairs report Audit Committee and minutes of meeting held on 5 March and 14 May 2019	Audit Committee Chair		To <u>note</u> the Committee Chair's Report and <u>adopt</u> the approved minutes
13	Any other competent business			
14	Items for Information			
14.1	Key Legislation	Chair		To <u>receive</u> a list of key legislation issued since last Board meeting and local implementation / action
14.2	New Hospital and Healthcare Facility – handover report	Project Director	OHB1920-20	To <u>note</u> the report
14.3	Board Reporting Timetable 2019/20			To <u>note</u> the timetable for 2019/20
14.4	Record of Attendance			To <u>note</u> attendance record
14.5	Evaluation	Reflection on meeting – led by Chair		

Open Forum –

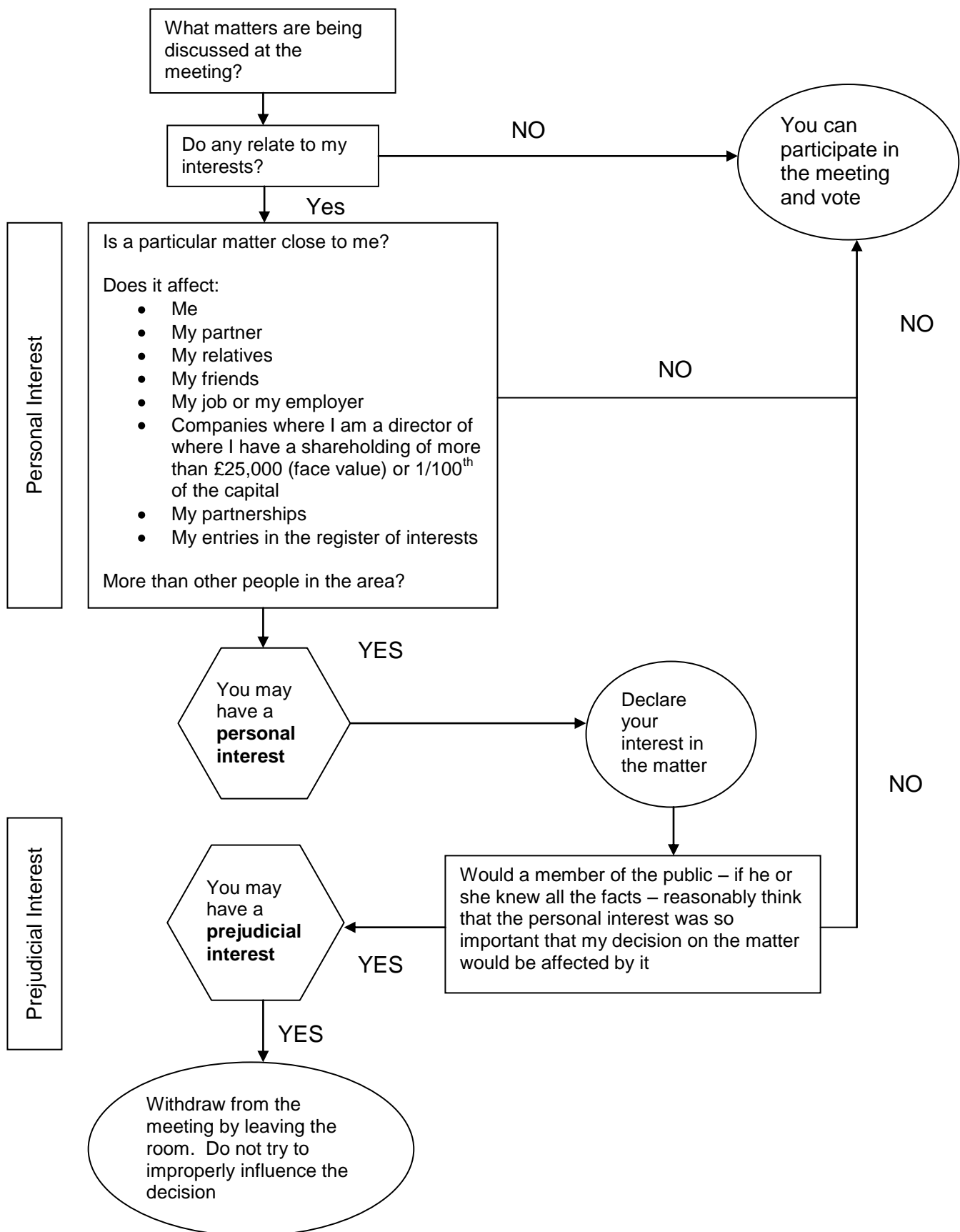
Public Questions and Answers Session

A Press Briefing will follow the conclusion of Board Business

By Standing Invitation:

Sally Shaw, Chief Officer
Christina Bichan, Head of Transformational Change and Improvement
Ashley Catto, Human Resources Manager
Malcolm Colquhoun, Head of Hospital and Support Services
Julie Colquhoun, Head of Corporate Services

Declaring interests flowchart – Questions to ask yourself



Orkney NHS Board

Minute of meeting of **Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Thursday 25 April 2019** at **10:00am**

- Present**
- Ian Kinniburgh, Chair
 - David Drever, Vice Chair
 - Davie Campbell, Non Executive Board Member
 - Caroline Evans, Non Executive Board Member
 - Fiona MacKellar, Employee Director
 - David McArthur, Director of Nursing, Midwifery and AHP
 - Meghan McEwen, Non Executive Board Member
 - Gerry O'Brien, Chief Executive
 - Marthinus Roos, Medical Director
 - James Stockan, Non Executive Board Member
- In Attendance**
- Christina Bichan, Head of Transformational Change and Improvement
 - Ashley Catto, Human Resources Manager (via VC)
 - Malcolm Colquhoun, Head of Estates and Facilities
 - Mark Doyle, Interim Director of Finance
 - Sally Shaw, Chief Officer
 - Emma West, Corporate Services Manager (minute taker)

34 **Apologies**

Apologies were noted from I Grieve, S Johnston, A Ingram, J Nicol and L Wilson.

The Chair welcomed M Doyle, Interim Director of Finance, to his first meeting of the Board in person.

35 **Declarations of interests**

No declarations of interest on agenda items or in general were made.

36 **Minute of previous meeting held on 7 March 2019**

The minute of the meeting held on 7 March 2019 was accepted as an accurate record of the meeting, subject to the amendments noted below, and was approved.

- Page 8, item 837, last paragraph– amend to conjunction to integration

37 **Matters Arising**

833 – European Union – Withdrawal of the UK

The Chief Executive advised that information from the Scottish Government was to continue to planning on a no deal basis and this was being progressed with local resilience colleagues. Contingencies would remain in place but enhanced reporting to the Scottish Government had been stepped down pending further updates.

38 **Board Action Log**

The action log was reviewed and corrective action agreed on outstanding issues (see action log for details).

Governance

39 Corporate Plan 2019/20

The Chief Executive provided a verbal update on the Corporate Plan for 2019/20 advising that in the past few years, in the absence of a Local Delivery Plan, the Board had developed a one year Corporate Plan. Reporting had now reverted back to three year operational planning and as such a one year Corporate Plan would not be produced as a separate document.

Work on strategic intent would continue in parallel with this which would include reviewing the corporate priorities and objectives.

The Board were asked to approve the continued use of the objectives contained within the 2018/19 Corporate Plan while this work was completed.

Decision / Conclusion

The Board noted the update provided and agreed to continue with the 2018/19 corporate objectives until further work was complete.

40 Blueprint for Good Governance – NHS Orkney Action Plan – OHB1920-01

The Chief Executive provided members with the report and action plan including the key themes from the self assessment exercise and highlighted areas where activity would be focused to address these.

The Chair noted that the Scottish Government would be formally informed of the outcomes and how this focus on priority areas would be achieved.

He noted that around the Board's strategic intent there was a lack of clarity, and the Board required to be more explicit in stating its ambitions and setting targets and challenging to inform this.

F MacKellar welcomed the proposal for the production of a Clinical Strategy, which had received a very strong positive response.

Decision / Conclusion

The Board noted the report and approved the actions to take forward, which would be the focus of the May Board Development Session and meetings of the Senior Management Team and progress would be captured through the Board action log.

41 Annual Review feedback letter – OHB1920-02

The Chair presented the feedback letter which covered the outcomes from the formal section of the annual review; the actions would be noted with a maintained focus in these areas.

The Public Session with the Cabinet Secretary had been held on the 8 April 2019, this had been very positive and although highlighting some areas for improvement general feedback was that the Board was performing well with areas of positive

innovation which should be shared with other Boards.

The Chief Executive agreed with the recommendations reflected in the letter, which would be very useful in focusing work going forward. He also noted the positive benefits of the Cabinet Secretary's visit to Orkney and the praise given to staff.

The Board gave thanks and appreciation to all staff involved in both the formal and public sessions of the annual review.

M McEwen noted that further public engagement in such sessions would always be beneficial and questioned how this could be achieved. The Chair suggested that holding future events in the new Hospital and Healthcare facility would be welcomed and would benefit from additional car parking and public transport links. The use of technology going forward would also be considered to make improvements and innovate.

D Campbell noted how encouraged he was by the positive summary and the willingness to share this with larger Boards. He noted that this good news story and congratulations should be shared with staff. The Chief Executive agreed that there was a need to be more proactive in communication with staff and he would consider how this could be achieved.

Decision / Conclusion

The Board noted the feedback letter received and the action points included within this.

Strategy

42 Annual Operational Plan – OHB1920-03

The Head of Transformational Change and Improvement presented the Annual Operational Plan for approval and submission to Scottish Government.

Members were advised that the plan had been presented to the Finance and Performance Committee prior to the draft submission and following this feedback had been provided. There required to be a high degree of realism acknowledging the challenges and the move to the new hospital and healthcare facility and this had been accommodated in the plan.

Some of the trajectories would prove challenging and there would be regular reporting on these to ensure that they were being well managed.

The Interim Director of Finance advised that the Cabinet Secretary had announced that all Boards would enter a 3 year planning and performance cycle with 2019/20 being the first year of this. The plan assumed a break even position in all 3 years and predicated in delivery of £750k of savings and 3.4m capital revenue transfer. There was still a £2m requirement for hospital medical staffing and further conversations were required around how this would be managed and driven down by recruitment and any funding support from Scottish Government.

The savings target was a real challenge for the Board and input of plans on how this would be realised would be required.

The Chair questioned the discussion with Scottish Government and their willingness to support with additional targeted resource. The Chief Executive advised that the additional support was to maintaining emergency services 24/7 and Scottish Government colleagues were appreciative of this challenge and the efforts taken by the Board to drive these costs down.

The Chief Executive noted that operational managers had been advised that 2019/20 budgets required to be delivered as savings in 2020/21 and moving forward would be challenging.

M McEwen questioned the unidentified savings target and was advised that this would be managed internally and progressed through the Finance and Performance Committee.

J Stockan noted that it would be a challenging year with the move into the new hospital and as staff were the Board's greatest asset, they should be encouraged to keep focus on this area.

The Head of Hospital and Support Services gave reassurance that opportunity had been taken to discuss this with staff and managers who had responded very positively.

Members agreed that it was very important that staff were kept involved as they were aware on a day to day basis how things were running and where changes could be made.

F MacKellar agreed and added that staff often had ideas for innovation but these didn't always deliver financial savings. There was a need to be open when engaging with staff groups and acknowledge the pressure that vacancies in the system caused.

The Interim Director of Finance gave an update on recruitment advising that more flexibility had been included in job planning and descriptions which had encouraged more applicants especially those close to retirement looking to work part time. There had been 19 applications for the recently advertised consultant posts but the Board had been unable to appoint to the surgical position. Anaesthetics recruitment had been very successful with three new staff taking up posts which should eliminate the use of locums in this area. Physicians were also being interviewed shortly with two strong candidates for this post.

The Chair noted that there would be ongoing cost pressures until staff were in position, there would still be a half year effect on budgets and real savings from 2020/21. The team were commended for taking this different approach, which had proved successful.

The Employee Director also welcomed this positive use of flexible working for staff especially in challenging recruitment times and noted that this should be shared across all staff groups.

The Chief Executive advised that although there had been no formal notification it was unlikely that there would be an ophthalmology private allocation.

The Chair questioned whether there would be a dip in performance following migration to the new hospital and healthcare facility which should be communicated to the public. The Head of Transformational Change and

Improvement noted that there would be no effect from a public perspective, but this would be shown in trajectories across the 12 month period.

The Interim Director of Finance acknowledged input of all involved completing this work and gave thanks for this.

Decision / Conclusion

The Board approved the Annual Operational Plan for submission to the Scottish Government.

43 2019/20 – 2021/22 Annual Operational Financial Plan – OHB1920-04

This had been discussed with the Annual Operational Plan above due to the links between these two documents.

Decision / Conclusion

The Board approved the Annual Operational Financial Plan for the 3 year period.

Clinical Quality and Safety

44 Queen Elizabeth University Hospital HIS report – NHS Orkney position – OHB1920-05

The Medical Director presented the report which detailed NHS Orkneys response to the Scottish Government request for a local position against the 14 recommendations. The paper provided assurance that these issues had been addressed.

The Chair welcomed the additional assurance that the report provided especially with regard to the new Hospital and Healthcare facility and the significant amount of work in this area.

D Drever questioned the requirements around the ventilation systems and was advised by the Head of Hospital and Support Services that specialist advice had been sought. Cleaning had taken place and been documented as required with planned preventive maintenance in place. Discussions would continue with Health Protection Scotland to verify this independently in accordance with the contract.

F MacKellar recognised the additional work carried out by the Infection Control Team and that this should be commended.

Decision / Conclusion

The Board noted the NHS Orkney response against the 14 recommendations as per the report.

45 Infection Prevention and Control Report - OHB1920-06

The Medical Director presented the Infection Prevention and Control report, highlighting the following:

- NHS Orkney has met its target of 3 or less validated Staphylococcus Aureus Bacteraemia (SAB) cases.

- Validated Clostridium Difficile Infection (CDI) cases remained at 7. Two of these had been hospital acquired, prescribing around these checked and no issues had been found
- There had been 100% compliance with hand hygiene for both opportunity and technique, there would now be a challenge to maintain this
- There had been no hospital bay or ward outbreaks of Norovirus since 2012
- Flu vaccination uptake had improved on previous years with 398 staff members vaccinated
- Standard Infection Control Precautions were all complete and would continue in preparation for the move.

D Campbell questioned how the improvements in the flu vaccination uptake had been achieved, and was advised that this had been due to the hard work of the public health team and making vaccinations available for staff at their areas of work.

F MacKellar welcomed this flexible approach to the process and the fact that there had been no pressure but gentle challenge with myth busting to those that didn't want to accept the opportunity to take the vaccine.

Decision / Conclusion

The Board noted the Infection Prevention and Control Report.

46

Annual Infection Prevention and Control Report – OHB1920-07

The Medical Director presented the annual report, noting that he was very proud of what the team had achieved and their hard work to maintain high standards.

The new hospital and healthcare facility had been a recent priority for the team to ensure that the new facility was safe for patients.

He highlighted the following:

- There had only been one case of a surgical site infection in the year which was very positive
- Documentation around anti microbial point prevalence had been raised as an issue which could be improved, this had been addressed and positive improvements hoped to be seen from this in the next audit.
- Catheter Associated Urinary Tract Infections (CAUTI) were being managed very positively
- Links had been made with Care Home staff around infection prevention and control procedures
- CDU staff had accomplished ISO accreditation

The Chair on behalf of the Board thank all staff involved for their hard work around the report and tasked the Chief Executive with passing on these thanks in a real and meaningful way.

Decision / Conclusion

The Board noted the Infection Prevention and Control Annual Report 2018-19

47 **Chair's Report – Clinical and Care Governance Committee and minutes of meetings held on 16 January 2019**

M McEwen, in the absence of the Chair, provided members with an update from the meeting highlighting that the Committee had discussed the following:

- Significant Adverse Event Report
- NHS Grampian, Orkney and Shetland Policy for requesting non formulary licensed medicines, for licensed indications.
- Health Improvement Scotland Clinical Management of Breast Cancer in NHS Tayside Report – April 2019

Decision / Conclusion

The Board noted the Chair's report and minute of meeting held on 16 January 2019.

48 **Chair's Report – Area Clinical Forum and minutes of meetings held on 7 December 2018**

The Board had received the Chairs report from the Area Clinical Forum for information. The report highlighted the following areas:

- Output from the February Development Session on Improving Clinical Engagement
- Indemnity Issue

The Chief Executive advised that CNORIS covered all staff carrying out their duties for NHS Orkney and indemnity was provided under this scheme. There was a need to understand the issue further without raising personal circumstances.

The Employee Director added that occupation specific professional indemnity was strongly encouraged by professional bodies but not compulsory. This had been raised at the Area Partnership Forum who would continue to ensure that staff were fully aware of their position.

Decision / Conclusion

The Board noted the Chair's report and minute of meeting held on 7 December 2018.

Workforce

No agenda items this month

Organisational Performance

49 **Financial Management Performance Report – OHB1920-08**

The Interim Director of Finance presented the report advising the financial position for the period to the 28 February 2019. Members were advised that the year to date overspend was £143,000 but that the year end figures, subject to audit approval, showed that all financial targets had been achieved.

The paper included information on revenue areas of overspend and under spend as well as setting out the construction of the financial plan.

J Stockan questioned the discussions and support given to budget holders and was advised that budgets were reviewed to ensure they were accurate and aligned going forward. Financial training for non financial managers to facilitate this would also be provided.

The Chair noted that this was an extremely positive report and in year financial performance against a difficult set of pressures.

Decision / Conclusion

The Board:

- Noted the Scottish Government Medium Term Financial Framework which set out the approach and initiatives to ensure delivery of a financially balanced and sustainable Health and Social Care System review the in year financial position
- noted the year to date over spend of £143,000 and forecast break-even position.

50 Performance Management Report – OHB1920-09

The Head of Transformational Change and Improvement presented the report providing members with information on current performance in regards to Local Delivery Plan standards.

She highlighted that timely access to some outpatient services as well as Inpatients and Day Case procedures and the Psychological Therapies service continued to be challenging with current performance below the required levels.

The recent fluctuations and increased demand in Accident and Emergency had been challenging for a mixture of reasons. Assurance was provided that every delay was reviewed and if found to be avoidable highlighted through the system. There would be opportunity to make improvements in the new hospital due to assessment beds and better patient flows.

The Medical Director advised that the best clinical decision for the patient would always be the focus but acknowledged there always needed to be good reasons for exceeding the targets.

M McEwen questioned whether the Accident and Emergency department was sometimes treated as a GP substitute and was advised that it could be but these patients would be redirected.

The Director of Nursing, Midwifery and AHP also noted the need to consider patients returning to Accident and Emergency for review appointments and the physical location of out of hours GPs.

The Chief Executive advised that the safest place for all patients needed to be a consideration. There was also a need for clarity on reporting as patients who breached the timescales had often commenced treatment but were physically still

within Accident and Emergency. Moving to the new hospital would enable clinicians to ensure that the right criteria and escalation was in place.

Decision / Conclusion

The Board noted the performance report.

51 Chair's Report – Finance and Performance Committee and minutes of meetings held on 31 January 2019

D Campbell, Chair of the Finance and Performance Committee, provided members with an update from the meeting noting the following:

- The Financial Position had been discussed
- The Committee had approved the draft financial plan
- The Committee had approved the draft operational plan

He also noted that the committee appreciated ongoing positive conversations with Scottish Government.

Decision / Conclusion

The Board noted the Chair's report and minutes of meetings held on 31 January 2019.

Risk and Assurance

52 Chair's Report – Audit Committee and minutes of meetings held on 4 December 2018

M McEwen, Chair of the Audit Committee, provided members with an update highlighting that recent internal audit reports had shown that internal controls and processes were complete and robust.

It was noted that one of the outstanding Audit Recommendations was around the Board's awareness of strategic intent and it was agreed that this should remain open until the work in this area was progressed.

Decision / Conclusion

The Board noted the Chair's report and minute of meeting held on 4 December 2018.

53 Risk and Assurance Forward Planning – OHB1920-10

The Head of Transformational Change and Improvement presented the report which provided assurance on progress in the development and implementation of a refreshed approach to risk management across NHS Orkney.

As a result a number of system changes were now being progressed to enhance risk reporting and management. Additionally, a strategic risk register was being developed to capture the high level risks with the potential to impact the Board's delivery of its vision and purpose and a Risk Management Group is being established to provide operational oversight and assurance to the Board and

Governance Committees.

The Chair noted that different risks needed to be considered in a more sophisticated and balanced view to inform decision making.

Decision / Conclusion

The Board noted the report acknowledging that this was an ongoing process which would link to the May Development session on the outcomes from the Blueprint for Good Governance.

54 Any other competent business

No other competent business was raised.

Items for Information

55 Key Legislation

Members noted the key legislation that had been published since the last meeting of the Board.

56 New Hospital and Healthcare Facility - Authority Observer report

The Board had received the Authority Observer report for information and noting

Decision / Conclusion

The Board noted the report and progress being made.

57 Orkney Partnership Board minute – 14 March 2019

The Board noted the minutes received, the Chair noted that there was a need for the Partnership Board to continue to input and continue to shape more explicitly joint work.

58 Board Reporting Timetable 2019/20

The Board had received the schedule of meetings for 2019/20.

59 Record of Attendance

The record of attendance was noted.

60 Evaluation – reflection on meeting

Members noted that the meeting had been very positive.

61 Public Forum

No members of the public were present.

NHS Orkney Board Action Log Updated 13 June 2019

Purpose: The purpose of the action log is to capture short term actions to enable NHS Orkney Board members to assure themselves that decisions have been implemented appropriately.

No	Action	Source	Target date	Owner	Status / update
05-2018/19	<u>Annual Review</u> Outcome letter to be provided to Board once received	Annual Review 10 Dec 2018	April 2018	Chair	COMPLETE
01-2019/20	<u>Blueprint for Good Governance</u> A re-assessment of the Board's approach to risk management clearly identifying the Board's Strategic Risks and introducing a closer alignment between key risks and the Board's governance structure.	Meeting 25 April 2019	Board Development Session 22 May 2019	Chair/Head of Corporate Services	Due to migration to the new hospital and healthcare facility this will be rescheduled to a future Board Development session with the date to be agreed with the Chair and Chief Executive.

Completed actions deleted after being noted at following meeting

Not Protectively Marked

NHS Orkney Board – 26 June 2019 Report Number: OHB1920-12 This report is for assurance Governance Committee Annual Reports 2018-19	
Author Lead	Emma West, Corporate Services Manager Gerry O'Brien, Chief Executive
Action Required	Members are invited to: <ul style="list-style-type: none"> • Note the Governance Committee Annual Reports for year 2018/19
Key Points	In order to assist the Board in conducting a regular review of the effectiveness of the systems of internal control, the Code of Corporate Governance requires that all Standing Committees submit an annual report to the Board. Furthermore, this is a requirement of the governance statement as part of the approval of NHS Orkney's annual accounts. This report is submitted in fulfilment of this requirement.
Timing	This report is submitted to the Board annually following the end of the financial year.

1 NHS Orkney Audit Committee

1.1 Committee Chair

- Naomi Bremner, Non Executive Board Member (until 30 November 2018)
- Meghan McEwen, Non Executive Board Member (from 1 December 2018)

1.2 Committee Members

- Jeremy Richardson, Non Executive Board Member, vice chair (up to 31 August 2018)
- Davie Campbell, Non-Executive Board Member, vice chair (from 1 September 2018)
- Fiona MacKellar, Employee Director
- Gillian Skuse, Non Executive Board Member (up to 31 May 2018)
- James Stockan, Non Executive Board Member (from 23 August 2018)

In order to preserve its independence from operational management, the Audit Committee does not have executive membership. It is also the only Standing Committee for which the Chair of the Board does not have ex-officio status.

1.3 Other Attendees

External Audit, Internal Audit, the Chief Executive, Director of Finance and Head of Finance attend routinely.

Other managers or senior members of staff are invited to attend as required by the Committee.

The Audit Committee Terms of Reference is attached at **Appendix 1**.

2 Meetings held during period covered

The Committee has met on six occasions during the period from 1 April 2018 to 31 March 2019:

- 1 May 2018
- 5 June 2018
- 25 June 2018
- 4 September 2018
- 4 December 2018
- 5 March 2019

The attendance schedule is attached as **appendix 2**.

3 Business Plan

The Audit Committee reviews its business cycle on an annual basis and has worked to this cycle throughout the year. The business cycle 2018/2019 is attached as **appendix 3**.

The Committee dealt with sixty four items of business within the financial year. Details of the business items of the Committee are attached at **Appendix 4**.

Specifically, the Committee has considered the following during 2018/19 as laid down in the approved work plan:

- Approved terms of reference
- Considered and approved work plan for year
- Received internal audit reports and action plans:
 - Nursing, Midwifery and Allied Health Professionals Revalidation
 - Waiting Times
 - Non-Emergency Patient Travel
 - Payroll
 - Procurement
 - Performance Management
 - Budget Management
 - Internal and External Communications
- Considered audit follow up progress reports
- Approved the Internal Audit Plan and Annual report
- Received regular Chairs reports and minutes from the Information Governance Group and approved relevant policies
- Reviewed a number of Audit Scotland publications
- Reviewed the Governance Committee Annual Reports for 2017-18
- Reviewed the Annual Governance Statement
- Reviewed the Annual Accounts (2017/18) prior to submission to Orkney NHS Board
- Reviewed the Orkney Health Board Endowment Fund Annual Accounts prior to submission to the Endowment Trustees
- The Freedom of Information and Caldicott Guardian Annual Reports

The Committee will scrutinise the Annual Accounts (2018/2019) at meetings in June 2019 prior to submission to Orkney NHS Board.

The Committee has received and reviewed the Audit Scotland Technical Bulletins as a means of independently keeping abreast of NHS accounting and audit developments. In addition, the Committee has received regular reports on other issues arising from the extended role of the Counter Fraud Services.

The approved minutes of the meetings of the Committee have been timeously submitted to the Orkney NHS Board for noting and adoption.

4 Annual Performance Review / Development Session

The Audit Committee Chair, Chief Executive and Corporate Services Manager reviewed its Terms of Reference, Risks, Controls and Assurance Framework and Programme of Business on 13 February 2019 to ensure that all areas within the Committee's remit were being reported on appropriately. The Committee approved these amendments at the meeting on the 5 March 2019.

5 Risks and Risks Mitigation

The Audit Committee's Risks, Controls and Assurance Framework is attached at **Appendix 5**.

The following issues were raised by the Governance Committees to Audit:

Clinical and Care Governance Committee:

- Brexit – The amalgamation of an IJB and NHS Orkney approach to Brexit
- Complaints handling – Combined working between the IJB and NHS Orkney and further clarity regarding when staff are within their rights to withhold information relating to a patient or service user.

Finance and Performance Committee:

- Current Financial Position

6 Issues raised to Board or other Governance Committees

Board

- Importance of prioritising attendance at meetings
- Internal and External Audit Recommendations
- Data Protection Policy approval
- Annual Accounts
- The number of Freedom of Information requests received and the significant impact this has on the FOI teams, and those individuals and departments who are supplying information.
- Laboratories assurance to be reported in committee.
- Children and Young People's Mental Health Service Report
- Risk Management Strategy
- Key issues from the audit reports highlighting the positive

outcomes

Clinical and Care Governance Committee

- Internal Audit reports for information.

Quality and Safety Group

- Direction to be provided on focus for Clinical Governance Audit in 2018-19 to shape the Internal Audit Plan

7 Successes

The Audit Committee has been successful in meeting the following achievements during the period covered:

- Continuing to operate effectively in the absence of lead director
- Agreeing an extensive plan of internal audit of our key risk areas
- Handling the transition to a new Chair
- Managing process
- Reviewing Terms of Reference and Business planning
- Reviewing reports of internal audits
- Operating effectively through a period of change

8 Concerns

The Audit Committee had no concerns that should be raised to the Board through this report.

9 Conclusion

As Chair of the NHS Orkney Audit Committee during financial year to 31 March 2019 I am satisfied the frequency of meetings and the breadth of the business undertaken, and the constructive challenge provided through the Committee has allowed us to fulfil our remit as detailed in the Code of Corporate Governance. The Committee comprises corporately an appropriate skills mix to allow it to carry out its overall function; these skills have been supplemented by additional training when requested.

The Audit Committee had in place adequate arrangements for reviewing Best Value associated with the work of the Committee.

As a result of the work undertaken during the year I can confirm that adequate and effective governance and internal control arrangements were in place through NHS Orkney during the year.

I would thank all those members of staff who have prepared reports and attended meetings of the Committee and responded positively to

6.1.1

challenge from committee members. I would also pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. Naomi Bremner served as Chair of Audit for 8 years and I would like to extend my thanks to her for her guidance to me as new Chair and for her dedicated service to the Audit Committee.

Meghan McEwen

Chair

On behalf of NHS Orkney Audit Committee

Audit Committee – Terms of Reference

Purpose:

Orkney NHS Board has established the Audit Committee as a Committee of the Board to support the Board in its responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge. The Committee will liaise closely with the Integration Joint Board Audit Committee and share information which will be of benefit to the Integration Joint Board.

Composition:

The Audit Committee shall consist of four Non-Executive Members including the Employee Director but not the Chair of the Board.

The chair and vice-chair of the Committee will be appointed by the NHS Board.

Ordinarily, the Audit Committee Chair cannot chair any governance committee of the Board but can be a member of other governance committees.

Committee membership will be reviewed annually.

Attendance:

In addition the Chief Executive (as Accountable Officer) and the Director of Finance of NHS Orkney shall normally attend meetings of the Committee, together with other executive directors and senior staff as required. The External Auditor and the Chief Internal Auditor shall also receive a standing invitation to attend.

Quorum:

The Committee will be quorate when there are three members present, one of whom must be the chair or vice-chair.

It will be expected that another non-executive Board Member will deputise for a member of the Committee at any meeting when required.

Meetings:

Meetings shall be held in accordance with the provision of Standing Order Sections 2-3. The Audit Committee will meet at least four times per annum.

At least once a year and when deemed necessary by the Chairperson, meetings of the Committee shall be convened and attended exclusively by members of the Committee and/or the External Auditor or Internal Auditor.

Extraordinary meetings may be called by:

- Audit Committee Chairperson;
- Chief Executive;

- Director of Finance.

The Audit Committee shall exclude all Executive Members from extraordinary meetings of the Committee if it so decides.

Remit:

The Audit Committee will advise the Board and Accountable Officer on:

- the strategic process for risk, control and governance and the Governance Statement
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, and management's letter of representation to the external auditors
- the planned activity and results of both internal and external audit
- the adequacy of management response to issues identified by audit activity, including external audit's management letter / report
- the effectiveness of the internal control environment and risk management arrangements
- assurances relating to the corporate governance requirements for the organisation
- proposals for tendering for internal audit services
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations
- assurances that structures are in place to undertake activities which underpin safe and effective information governance
- links to Integration Joint Board Audit Committee around jointly commissioned audits, annual planning etc.

The Audit Committee will also annually review its own effectiveness and report the results of that review to the Board.

Best Value:

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. This assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

Authority:

The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. All Members and employees are directed to co-operate with any request made by the Committee.

In order to fulfill its remit, the Audit Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to

6.1.1

the Chair of the Audit Committee.

The Integration Joint Board will sign off its accounts after Board. The Audit Committee will require a statement from the Integration Joint Board on its governance and the preparedness of the Integration Joint Board accounts to allow NHS Orkney to prepare consolidated accounts.

Reporting Arrangements:

- The Audit Committee reports to Orkney NHS Board
- Following a meeting of the Audit Committee the minute of that meeting should be presented at the next Orkney NHS Board meeting
- The Audit Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Audit Committee
- The Audit Committee will produce an annual report for presentation to Orkney NHS Board. The Annual Report will describe the outcomes from the committee during the year.

Updated March 2018

6.1.1

Appendix 2

NHS Orkney - Audit Committee Attendance Record - Year 1 April 2018 to 31 March 2019:

Name:	Position:	1 May 2018	5 June 2018	25 June 2018	4 September 2018	4 December 2018	5 March 2019
Members:							
N Bremner	Previous Chair	Attending	Attending	Attending	Attending		
M McEwen	Chair				Attending	Attending	Attending
D Campbell	Vice Chair		Attending	Attending	Attending	Apologies	Attending
J Richardson	Previous Vice Chair	Apologies	Attending	Apologies			
F MacKellar	Employee Director	Attending	Attending	Attending	Attending	Attending	Attending
G Skuse	Non Executive Board Member (until 31 May 2018)	Apologies					
In Attendance:							
G O'Brien	Interim Chief Executive	Attending	Attending	Attending	Attending	Apologies	Attending
H Robertson	Director of Finance	Attending	Apologies	Attending	Attending		
D Lonsdale	Head of Finance	Attending	Attending	Attending	Attending	Attending	
I Grieve	Non Executive Board Member			Attending		Attending	
J Stockan	Non Executive Board Member			Attending	Attending	Apologies	Attending
L Wilson	Director of Public Health			Attending	Apologies	Attending	
Jean Aim	Board Secretary			Attending			
Committee Support	Corporate Services	Emma West	Jean Aim	Emma West	Gemma Pendlebury	Gemma Pendlebury	Heidi Walls
Internal Audit:	Scott-Moncrieff						
C Brown	Internal Audit						Attending
M Swann	Internal Audit	Attending	Attending		Attending	Attending	
External Audit:	Audit Scotland						
G Woolman	Assistant Director	Apologies		Attending	Apologies	Attending	
P Fraser	Audit Manager	Apologies	Attending				
C Morrison	Auditor		Attending		Attending		

6.1.1

Attending for specific item							
Rognvald Johnson	Non Executive Board Member	Deputising	Attending	Attending			
Karina Alexander	Endowment Fund Treasurer		Attending				
Christina Bichan	Head of Transformational Change and Improvement						Attending
Ian Kinniburgh	NHS Orkney Chairman		Attending	Attending			
John Trainor	Head of Health and Community Care		Attending				
Denotes no requirement to attend							

Audit Committee Business Cycle and Work Plan 2018/2019

Month	Content
May	External Audit Plan Draft Internal Audit Opinion Audit Committee Annual Report Audit Committee Annual Development Session output Approval of Governance Committee Work Plans Annual Reports from Governance Committees Internal Audit Reports: <ul style="list-style-type: none"> • Annual Report • Annual Internal Audit Plan 2017/18 • Internal Audit Charter (protocol) Payment Verification – Primary Medical Services Service audit reports from National Services Scotland Litigation six monthly report
June	Draft Governance Statement Executive Directors Report on Internal Control Draft Annual Accounts documentation Caldicott Guardian Annual Report Private meeting with Internal and External Audit
June	Annual Accounts documentation Code of Corporate Governance bi-annual review including Governance Committee Terms of Reference
September	Internal Audit Reports Review of compliance with Property Transaction Monitoring Annual Litigation Report
December	Internal Audit Reports
March	Annual Development Session

Work Plan

At each meeting of the Committee, the following business shall be transacted:

- Minutes
- Audit Committee Action Plan
- Internal and External Audit Recommendations Action Plan
- Audit Scotland - Technical Bulletins
- Audit Scotland – National Reports
- Internal Audit Status Reports
- Chair's Report – Information Governance Group

The Committee shall consider at regular intervals:

- Reports from the Chief Internal Auditor against the Annual Internal Audit Plan

6.1.1

- Progress reports from the appointed External Auditor together with consideration of specific reports
- Specific internal and external audit reports and action plans
- Internal Audit Assignment Plans
- Counter Fraud Services Quarterly Reports
- Fraud Liaison Officer report
- Corporate Risk Register

Every six months

- Review of audit publications relevant to economy, efficiency and effectiveness of services
- Progress and exception reports on Risk Management / Health and Safety
- Litigation monitoring

Annually, the Committee shall consider and make recommendations to the Board where necessary, with regard to:

- Approval of terms of reference and a work plan for all Governance Committee meetings for the forthcoming year;
- Review with the appointed External Auditor, the Audit Planning Memorandum including fees and reporting arrangements;
- Review of Annual Accounts for Exchequer and Patients Funds;
- Review previous year's Report to Members on the audit of NHS Orkney
- Review of NHS Orkney's Losses and Compensation payments
- Review of the effectiveness of co-operation between internal and external audit
- Annual report from the Chief Internal Auditor relating to the previous year and interim report from the External Audit
- Review of annual Internal Audit Statement of Internal Control
- Review of the changes to the Code of Corporate Governance
- Approval of Annual Report of the Audit Committee
- Approval of Internal Audit Plan
- Review compliance with Property Transaction Monitoring requirements for onward submission to the Scottish Government Health Directorate

Ad Hoc Business:

- Shared Support Services progress
- Risks raised through exception reporting by Governance Committees
- Best Value
- Reports on non compliance with Code of Corporate Governance

Annual Development Session:

- Review Terms of Reference
- Review the business cycle
- Review the nature, format and frequency of reporting to ensure it is effective
- Review the effectiveness of the committee process (including Development Plan, Action Log, self assessment process, minutes and administrative arrangements)
- Get development / input on learning areas identified by training needs assessment

July 2018

Audit Committee - Record of Business 2018/2019

Date	Paper Number	Title
1 May 2018	AC1819-01	Internal Audit - Progress Report
	AC1819-02	Internal Audit Reports - Nursing, Midwifery and Allied Health
	AC1819-03	Waiting Times
	AC1819-04	Internal Audit Plan – 2018-2019
	AC1819-05	Internal and External Audit recommendations follow-up report
	AC1819-06	Information Governance Policy
	AC1819-07	NHS Orkney IT Security Policy
	AC1819-08	Data Protection Policy
	AC1819-09	Report on accidental destruction of records
	AC1819-10	Annual Governance Statement - Draft Directors' Subsidiary
	AC1819-12	Committee Annual Reports 2017-2018 - Draft Audit Committee Annual Report
	AC1819-13	Finance and Performance Committee Annual Report
	AC1819-14	Clinical and Care Governance Committee Annual Report
	AC1819-15	Staff Governance Committee Annual Report
	AC1819-16	Remuneration Committee Annual Report
	AC1819-17	Risks - Risk Register Report
	AC1819-18	Risk Management Discussion Paper
	AC1819-19	Large Hospital Services – Set Aside Budgets- 2017-2018
5 June 2018	AC1819-20	Internal Audit Plan 2018/19

Date	Paper Number	Title
	AC1819-21	Annual Report 2017/2018
	AC1819-22	Directors' Subsidiary Statement on Governance
	AC1819-23	Draft Annual Audit Assurance Statement
	AC1819-24	Orkney Health Board Endowment Fund Governance Statement
	AC1819-25	Significant issues that are considered to be wider interest - Draft letter to the Scottish Government - Health Finance Division
	AC1819-26	Integration Joint Board Performance Annual Report 2017/18
	AC1819-27	Annual Accounts for year ended 31 March 2018
	AC1819-28	Orkney Health Board Endowment Fund Annual Accounts for year ended 31 March 2018
	AC1819-29	Audit Report- Practitioner Services 2017/18
	AC1819-30	Audit Report - National IT Services Contract
	AC1819-31	Audit Report - National Single Instance Financial Ledger Service for year ended 31 March 2018
25 June 2018	AC1819-32	Representation Letter
	AC1819-33	NHS Orkney Annual Accounts for year ended 31 March 2018
	AC1819-34	201/18 Annual Audit Report from External Auditor Scotland
	AC1819-35	Significant issues that are considered to be wider interest - Draft letter to the Scottish Government - Health Finance Division
	AC1819-36	Code of Corporate Governance
	AC1819-37	Waiting Times Quarterly Audit Report
4 September 2018	AC1819-38	Internal Audit Progress Report
	AC1819-39	Assignment Plans 2018-19

Date	Paper Number	Title
	AC1819-40	Internal and External Audit recommendations follow-up report
	AC1819-41	Cyber Security – Network and Information Systems Directive (NIS)
	AC1819-42	Freedom of Information Annual Report
	AC1819-43	Risk Strategy/Policy
	AC1819-44	Risk Register Report
	AC1819-45	Laboratory Services Contract – Assurance Report
	AC1819-46	CNORIS – Annual Report 2017-18
4 December 2018	AC1819-47	External Audit Annual Audit Plan 2018/19
	AC1819-48	Internal Audit Progress Report
	AC1819-49	Non-Emergency Patient Transport
	AC1819-50	Internal and External Audit recommendations follow-up report
	AC1819-51	Risk Management Strategy and Policy
	AC1819-52	Caldicott Guardian Annual Report
5 March 2019	AC1819-53	NHS Scotland Overview Report
	AC1819-54	Internal Audit Progress Report
	AC1819-55	Payroll report
	AC1819-56	Procurement report
	AC1819-57	Performance Management report
	AC1819-58	Budget Management report
	AC1819-59	Internal and External Communications report
	AC1819-61	Internal and External Audit recommendations follow-up report
	AC1819-62	Annual Accounts Timetable
	AC1819-63	Unaccounted for Records
	AC1819-64	Cyber Threat Monitoring Questionnaire

NHS Orkney Audit Committee Risks, Controls and Assurance Framework

The purpose of good governance is to direct and manage the affairs of an organisation and align corporate behaviour with the expectations of society and public interest. The process of corporate governance involves the identification of responsibilities and accountabilities and ensuring that there is a system of controls and assurances in place to deliver these. This document aims to set out the principles objectives of the Audit Committee, the risks that could prevent these objectives being achieved, the controls that are place to assist in the delivery of the objectives and the assurance processes for ensuring the objectives are being delivered and that the controls are working. The document also identifies gaps in the Audit Committee's controls and assurances that will be closed through actions within the Committee's annual development plan.

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
Effective internal control and corporate governance system is maintained	NHS Orkney fails to have in place standing orders, a scheme of delegation and financial instructions which adhere to relevant guidance	<ul style="list-style-type: none"> • The Audit Committee reviews the Standing Orders on a biannual basis • The Audit Committee receives the Standing Financial Instructions for review and approval on a biannual basis • The Audit Committee reviews the Scheme of Delegation when changes are made within the organisation • The Audit Committee receives 	The minutes of the Audit Committee meetings would provide evidence that: <ul style="list-style-type: none"> • The Code of Corporate Governance (including Standing Orders and Standing Financial Instructions) have been reviewed and updated • The Scheme of Delegation has been reviewed and updated • That Governance Committee Terms of Reference have been reviewed and updated 	

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
		<p>Governance Committee Terms of Reference when amended for review and approval</p> <ul style="list-style-type: none"> The Audit Committee receives regular reports from the Governance Committees providing assurance on systems of internal control and raising any issues of concern 	<ul style="list-style-type: none"> That Governance Committee Annual Reports have been presented That any issues of concern have been raised to the Audit Committee by the Governance Committee Chair 	
	<p>NHS Orkney fails to implement an effective Risk Management Strategy and procedures</p>	<ul style="list-style-type: none"> Review and seek assurance that the risk management strategy and procedures are effectively managed throughout the organisation Monitor and review the processes for assessing, reporting and owning business risks and their financial implications 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The Governance Committees are providing assurance that the risk process within their remit are operating effectively The Governance Committees have raised issues of concern regarding the risk process or any significant risks not being addressed The Audit Committee reviews Risk Management Steering Group 	

Principle Objectives (What we aim to deliver)	Principle Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
			minutes	
	NHS Orkney's Code of Corporate Governance is not current with legislation	<ul style="list-style-type: none"> Review changes to the Code of Corporate Governance on a biannual basis (Standing Orders and Standing Financial Instructions) Receipt of Audit Scotland's Technical Bulletins with covering report on local implications and actions Receipt of Register of Circulars issued from Scottish Government Health Directorate 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> NHS Orkney Board and Governance Committees held an Annual Development Session to review performance and terms of reference The Committee reviews reports on local implications and actions required from circulars or other documents listed in Audit Scotland's Technical Bulletins 	
	NHS Orkney's Code of Corporate Governance is not well understood or complied with	<ul style="list-style-type: none"> The Code of Corporate Governance is issued as a controlled document to all managers / budget holders who are required to email confirming receipt of and subscribing to compliance with the document Receipt of reports on 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has examined circumstances associated with each occasion when there has been significant departure from the Code of Corporate Governance 	

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
		circumstances associated with each occasion when Standing Orders are waived or Standing Financial Instructions not adhered to		
	Insufficient evidence to provide assurance for the Governance Statement	<ul style="list-style-type: none"> • The Audit Committee receives an Annual Report from the Quality and Improvement Committee confirming whether it has fulfilled its remits and whether there are adequate and effective clinical governance arrangements in place • The Audit Committee receives an Annual Report from the Staff Governance Committee confirming whether it has fulfilled its remit and whether there are adequate and effective Staff Governance arrangements in place • The Audit Committee receives an 	The minutes of the Audit Committee meetings would provide evidence that: <ul style="list-style-type: none"> • The Governance Committees have submitted Annual Reports confirming that they have fulfilled their remits and providing assurance that there are adequate and effective internal controls in place throughout the organisation • The Audit Committee received formal assurance from the Executive Directors that there were adequate and effective controls in place and that there have been no breaches of Standing Orders or Standing Financial Instructions 	

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
		<p>Annual Report from the Finance and Performance Committee confirming whether it has fulfilled its remit and whether there are adequate and effective Financial Governance arrangements in place</p> <ul style="list-style-type: none"> The Audit Committee receives formal assurance from Executive Directors and managers within the organisation who have responsibility for the development and maintenance of the internal control framework and risk management arrangements, that adequate and effective controls have been in place within their area of responsibility, and that there have been no breaches of Standing Orders of Standing Financial Instructions, nor failures of Internal Control 		

Principle Objectives (What we aim to deliver)	Principle Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
Effective Internal Audit Service	NHS Orkney fails to make effective and efficient use of Internal Audit service	<ul style="list-style-type: none"> Review of Internal Audit Strategy and Work Plan Assess effectiveness of internal Audit Receipt and review of Internal Audit progress reports Monitoring progress of action on internal audit recommendations Reviewing Internal Audit Annual Report Holding discussions with the Chief Internal Auditor without Executive Directors present 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has reviewed and approved the Internal Audit Strategy and Work Plan The committee has assessed the effectiveness of Internal Audit Internal Audit progress reports are scrutinised Implementation of audit (internal and external) recommendations are monitored routinely The committee has reviewed an Internal Audit Report That discussions have taken place in private with the Chief Internal Auditor 	
Reinforce the importance and Independence of External Audit Service	NHS Orkney fails to oversee effective independent relations with external audit	<ul style="list-style-type: none"> Review of External Audit Strategy and Work Plan Review External Audit Management Letters 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has reviewed and approved the External Audit Strategy and Work Plan 	

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
		<ul style="list-style-type: none"> Monitoring progress of action on external audit recommendations Assess effectiveness of External Audit Holding discussions with the Chief External Auditor without Executive Directors present 	<ul style="list-style-type: none"> The committee has reviewed external audit management letters The committee has assessed the effectiveness of External Audit Implementation of audit (internal and external) recommendations are monitored routinely That discussions have taken place in private with the Chief External Auditor 	
Produce compliant Annual Accounts	NHS Orkney fails to complete the Annual Accounts process	<ul style="list-style-type: none"> Receives timetable for annual accounts process Receives updates on any changes to process for completion Reviews draft Annual Accounts Receives Governance Committee Annual Reports Receives other Statement of Internal Control assurances 	The minutes of the Audit Committee meetings would provide evidence that: <ul style="list-style-type: none"> The committee has received and considered the timetable for annual accounts process The committee has received and reviewed the draft Annual Accounts The committee has received the Governance Committee Annual Reports The committee has received 	

Principle Objectives (What we aim to deliver)	Principle Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
			Statement of Internal Control assurances	
Reduce the risks of illegal of improper acts	NHS Orkney fails to identify fraud or inappropriate behaviour	<ul style="list-style-type: none"> Reviews NHS Orkney Fraud Policy Receives quarterly reports on fraud activity and action taken Receives reports when Standing Financial Instructions not followed 	<p>The minutes of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has reviewed the Fraud Policy The committee has received quarterly reports from the Fraud Officer The committee has received reports when the Standing Financial Instructions have been contravened 	
Keep aware of topical legal and regulatory issues	NHS Orkney fails to keep up to date with legislation	<ul style="list-style-type: none"> Receives updates from Director of Finance on any topical issue Receipt of Audit Scotland's Technical Bulletins with covering report on local implications and actions Receipt of Register of Circulars issued from Scottish Government Health and Social Care 	<p>The minute of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has received updates on changes in legislation 	

Principle Objectives (What we aim to deliver)	Principle Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
		Directorate		
Best Value	NHS Orkney fails to secure best value	<ul style="list-style-type: none"> Receives assurance from Governance Committees that there are systems and processes in place to secure best value in areas delegated to each Committee by the Board. 	<p>The minute of the Audit Committee meetings would provide evidence that:</p> <ul style="list-style-type: none"> The committee has received assurance from the Governance Committees as part of the governance committee mid-year and annual reports 	
The Audit Committee operates effectively	The Committee does not provide adequate challenge and scrutiny when reviewing the reliability of integrity of assurances provided	<ul style="list-style-type: none"> Annual training needs assessment conducted with members. Core document set made available to each member and updated as guidance changes. Business cycle used to ensure all areas of assurance are covered within an annual cycle. Annual development session conducted to review performance, review annual 	<ul style="list-style-type: none"> Committee performance evaluation at end of each meeting Completed training needs assessment Business cycle exists and is used. Annual development sessions take place. All members have copy of Core Document Set 	

Principle Objectives <i>(What we aim to deliver)</i>	Principle Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <u>(Where are we failing to put controls / systems in place and /or where are we failing to make controls effective. Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</u>
		report and risks, controls and assurance framework.		
	The Committee operates sub optimally because it fails to identify gaps in its performance.	<ul style="list-style-type: none"> The Committee holds an annual development event where it assesses its performance, reviews the risks, controls and assurance framework, addresses development needs identified through the training needs assessment and agrees the development plan for the coming year. 	<ul style="list-style-type: none"> Outcome from Development Session presented to Committee and included in final version of Annual Report 	

Updated November 2016

1 NHS Orkney Finance and Performance Committee

1.1 Committee Chair

Rognvald Johnson (up to 30 June 2018)

Davie Campbell (from 23 August 2018)

1.2 Committee Members

James Stockan, Vice Chair

Caroline Evans (from 1 September 2018)

Ian Kinniburgh, NHS Orkney chair

Meghan McEwen, Non Executive Board member (from 1 September 2018)

Gerry O'Brien, Chief Executive

Hazel Robertson, Director of Finance (up to 21 October 2018)

Gillian Skuse, Non Executive Director (up to 31 May 2018)

1.3 Officer Attendees

Christina Bichan, Head of Transformational Change and Improvement

Derek Lonsdale, Head of Finance

David McArthur, Director of Nursing, Midwifery and Allied Health Professions

Marthinus Roos, Medical Director

Louise Wilson, Director of Public Health

Where relevant to the subject matter, other officers attend meetings of the Committee.

All Board members have the right to attend and are routinely sent copies of agenda and papers.

The Finance and Performance Committee Terms of Reference is attached at **Appendix 1**.

2. Meetings held during period covered

The Finance and Performance Committee has met on seven occasions during the period 1 April 2018 to 31 March 2019.

23 May 2018

26 July 2018 – Chaired by the Vice Chair

27 September 2018

15 October 2018

29 November 2018

31 January 2019

28 March 2019

The attendance schedule is attached as **appendix 2**.

3. Business Plan

The Finance and Performance Committee has worked to this cycle throughout the year. The business cycle 2018/2019 is attached as **appendix 3**.

The Committee dealt with forty seven items of business within the financial year. Details of the business items of the Committee are attached at **appendix 4**.

The approved minutes of the meetings of the Committee have been timeously submitted to the Orkney NHS Board for its information.

4. Annual Performance Review / Development Session

The Committee Chair, Chief Executive and Corporate Services Manager reviewed the Committee Terms of Reference, Business Cycle and Risks, Controls and Assurance Framework on 20 February 2019 to ensure that all areas within the Committee's remit were being reported on appropriately.

5. Action Plan and Progress

The Finance and Performance Committee Action Plan is included as a standing agenda item and progress is monitored at each meeting of the Committee.

6. Risks and Risk Mitigation

The Committee agrees any issues to be escalated to the Board or the Audit Committee.

The Committee Risks, Controls and Assurance Framework is attached at Appendix 5.

7. Issues raised to Board or other Governance Committees

Board:

- Elective Care Access Improvement Plan
- NHS Orkney Financial Position
- eHealth and IT Interim Report
- Appreciation for the hard work of the Finance Team
- Invite for Board members to attend the September 2018 Finance and Performance Committee meeting to discuss progress with the Savings Plan
- NHS Orkney Financial Position
- Cancer performance self assessment waiting times
- Challenge around meeting patient travel saving due to no agreement with Loganair on discount for escorts.
- Savings plan
- Service Level Agreements update report
- Travel impact

- Connectivity issues within the Isles and the resulting difficulty to deliver services and ensure parity of care across the whole of Orkney
- Approval of submission of the draft Operational Plan to the Scottish Government
- Approval of submission of the draft Financial Plan to the Scottish Government
- Financial Management Performance Report for period ended 20 February 2019

Clinical and Care Governance Committee:

- Children's and Adolescent's Mental Health Services
- Dementia

8. Issues raised from Governance Committees / Cross Committee Assurance

The Committee received a report from:

Staff Governance Committee

- Workforce challenges

9. Successes

The Finance and Performance Committee has been successful in meeting the following achievements during the period covered:

- Achieving financial balance
- Investing in areas to create/explore efficiency savings
- Creation of a Focused Agenda specific for NHSO
- Attendance of the Chief Finance Officer, Integration Joint Board and various key NHS Staff at Committee meetings

10. Concerns

The main concerns of the Finance and Performance Committee were around:

- The lack of recurring savings
- Maintained spend on locums
- Increased cost of the Grampian Mental Health Service Level Agreement
- There was a risk of the Board failing to meet financial balance

11. Conclusion

Having considered the breadth and depth of the work undertaken by the Finance and Performance Committee in respect of the financial year ended 31 March 2019, I wish to advise the Board that in its opinion, the Board had in place, throughout the year, adequate arrangements for securing Best Value associated with the work of the Committee, including economy, efficiency and effectiveness in the use of resources, and use of review and options appraisal.

6.1.2

As Chair of the Finance and Performance Committee during the financial year to 31 March 2019, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken, and the range of attendees at the meetings of the Committee has allowed us to fulfil our remit as detailed in the Code of Corporate Governance. As a result of the work undertaken during the year I can confirm that adequate and effective scrutiny and review of financial and performance issues were in place through NHS Orkney during the year.

I would pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. I would thank all those members of staff who have prepared reports and attended meetings of the Committee.

Davie Campbell

Chair

On behalf of the NHS Orkney Finance and Performance Committee

Finance and Performance Committee – Terms of Reference

Purpose:

The purpose of the Finance and Performance Committee is to review the financial and non financial targets of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively. The committee will provide cross committee assurance to the Integration Joint Board in relation to performance on delegated functions.

Composition

The membership of the Committee shall consist of:

- Non-Executive Board Member Chair
- Local Authority Nominated Non-Executive Board Member
- Two other Non Executive Board Members (one of whom is a member of the Integration Joint Board)
- NHS Orkney Chief Executive
- NHS Orkney Director of Finance – Executive Lead and support to Finance and Performance Committee

Where possible, at least one non-executive Board Member should have a qualification or demonstrable experience in the fields of finance or performance management.

Attendance:

In addition, there will be in attendance:

- Director of Public Health
- Director of Nursing, Midwifery and Allied Health Professions
- Medical Director
- Head of Finance

All Board members shall have the right of attendance and will routinely be sent copies of agenda and papers.

Quorum:

Members of the Committee shall be quorate when there are three members

present including at least two non-executive Board Members, one of whom must be chair or vice-chair, and one executive member.

It will be expected that another non-executive Board Member will deputise for a member of the Committee at any meeting when required.

Meetings:

The Committee will meet at least bi-monthly.

Extraordinary meetings may be called by:

- The Finance and Performance Committee Chairperson
- NHS Orkney Chief Executive
- NHS Orkney Director of Finance

Remit:

The Committee shall have accountability to the Board for ensuring that the financial position of the Board is soundly based, having regard to:

- Such financial and performance monitoring and reporting arrangements as may be specified;
- Compliance with statutory financial requirements and achievement of financial targets;
- The impact of planned, known or foreseeable future developments on the financial position;
- Wider health economics

The Committee has responsibility for:

- The development of the Board's Financial Plan in support of the; Strategic and Operational Plans.
- Recommending to the Board annual revenue and capital budgets, and financial plans consistent with statutory financial responsibilities;
- To oversee and monitor the Board's performance against the prevailing NHS Scotland and others performance measurement regime and other local and national targets as required;
- The oversight of the Board's Capital Programme and the review of the Property Strategy (including the acquisition and disposal of property);
- All significant business cases and plans for service redesign;
- Putting in place and scrutinising arrangements which will provide assurance

6.1.2

to the Chief Executive as Accountable Officer that NHS Orkney has systems and processes in place to secure best value ; The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report;

- responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board;
- To provide assurance to the Board that NHS Orkney is compliant with Audit Scotland's Best Value Initiatives;
- To scrutinise the Board's finances and ensure that corrective actions are taken whenever needed;
- To ensure better reporting links between services and financial inputs, to allow the Board to demonstrate that it provides value for money to the public: for example what is the Board delivering to the community for the budget that it receives?
- To continually review the value for money and efficiency that the Board is achieving in service delivery and how it compares with other Boards across the UK;
- To ensure adequate risk management is employed in all areas within the remit of the Committee;
- To provide opportunities to embed the necessary corporate behaviours into the organisation;
- Recommend to NHS Orkney Board any corrective actions required at Board Level to ensure good financial governance and performance of the organisation;
- Review performance, effectiveness and Terms of Reference of the Committee on an annual basis;
- To develop an annual cycle of business;
- To provide cross committee assurance in relation to the performance of delegated Integration Joint Board services;
- To ensure robust arrangements are in place in relation to ehealth and to provide assurance to the Board in this regard;
- To ensure robust arrangements are in place in relation to Business Continuity and Emergency Planning via a system of Integrated Emergency Management.

Best Value

The Committee is responsible for reviewing those aspects of the Best Value work

plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

Authority:

The committee is authorised by the Board to investigate any activity within its Terms of Reference and in doing so, is authorised to seek any information it requires from any employee.

The Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend whole or part of any meetings.

Reporting Arrangements:

- The Finance and Performance Committee reports to Orkney NHS Board;
- Following a meeting of the Finance and Performance Committee the unapproved minute of that meeting should be presented at the next Orkney NHS Board meeting;
- The Finance and Performance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Committee;
- The Finance and Performance Committee will produce an annual report for presentation to Orkney NHS Board. The Annual Report will describe the outcomes from the Committee during the year and provide assurance to the Board that the Committee has met its remit during the year.

Updated March 2018

NHS Orkney - Finance and Performance Committee Attendance Record - Year 1 April 2018 to 31 March 2019:

Name:	Position:	31 May 2018	26 July 2018	27 Sept 2018	15 Oct 2018	29 Nov 2018	31 Jan 2019	26 Feb 2019 Cancell ed	28 March 2019 (ODP)
Members:									
R Johnson	Chair (until 30 June 2018)	Attended							
D Campbell	Chair	Attended	Attended	Attended	Attended	Attended	Attended		Attended
J Stockan	Vice Chair	Attended	Attended	Apologie s	Attended	Apologie s	Attending		Attended
G O'Brien	Chief Executive	Attended	Attended	Apologie s	Attended	Attending	Attending		Attended
H Robertson	Director of Finance	Apologie s	Attended	Attended	Attended				
M Doyle	Interim Director of Finance								Attended
I Kinniburgh	Chair, NHS Orkney	Attended	Apologie s	Attended	Apologie s	Apologie s	Apologie s		Attended
C Evans	Non Executive Director			Attended	Attended	Attended	Attended		Attended
G Skuse	Non Executive Director	Apologie s							
D Drever	Non Executive Director				Apologie s	Apologie s	Attended		
M McEwen	Non Executive Director						Attended		Attended
In Attendance:									
C Bichan	Head of Transformational Change and Improvement	Attended	Attended	Attended	Apologie s	Attended	Attended		Attended
D Lonsdale	Head of Finance	Attended	Attended	Apologie s	Attended	Attended	Attended		Attended

6.1.2

Name:	Position:	31 May 2018	26 July 2018	27 Sept 2018	15 Oct 2018	29 Nov 2018	31 Jan 2019	26 Feb 2019 Cancell ed	28 March 2019 (ODP)
D McArthur	Director of NMAHP	Absent	Apologie s	Apologie s	Attended	Attended	Apologie s		Apologies
P Robinson	Chief Finance Officer, Integration Joint Board	Attended	Attended	Attended	Attended	Attended	Apologie s		Attended
M Roos	Medical Director	Absent	Absent	Absent	Apologie s	Apologie s	Apologie s		Absent
L Wilson	Director of Public Health	Apologie s	Attended	Apologie s	Apologie s	Attended	Attended		Apologies
G Pendlebury	Committee Support	E West	Attended	Attended	Attended	Attended	Attended		L Johnstone
Standing Invitation –	all Board Members:								
Attending for specific agenda item									
W Lycett	Principal Pharmacist			Attended					
C Nicholson	Director of Pharmacy			Attended					
M Colquhoun	Head of Hospital and Support Services				Attended	Attended	Attended		Apologies
Sally Shaw	Chief Officer of Integration Joint Board/OHAC				Attended	Apologie s	Apologie s		
Kenny Low	Value and Sustainability Lead						Attended		Attended
Denotes no Attendance Required									

NHS Orkney Finance and Performance Committee Business Cycle 2018-2019

Month	Agenda Item
May	<ul style="list-style-type: none"> Integrated Emergency Planning update
July	<ul style="list-style-type: none"> Capital Plan Cost Reduction Framework Property and Asset Management Strategy Update
September	<ul style="list-style-type: none"> Laboratories – Annual update on service including workload and testing eHealth update
November	<ul style="list-style-type: none"> Integrated Emergency Planning update Sign off the Operational Plan development process and timetable Financial Plan review and Assumptions going forward Regional Delivery Plan
January	<ul style="list-style-type: none"> Feedback from Operational Plan launch (i.e. any new measures or significant changes to the system)
February	<p>Special meeting to review:</p> <ul style="list-style-type: none"> draft Regional Delivery Plan draft Operational Plan, and its various elements, draft Financial Plan for coming financial year draft Integration Joint Board Strategic Commissioning Plan (with input from Board members, Area Partnership Forum and Area Clinical Forum members)
March	<ul style="list-style-type: none"> Final Operational Plan and sign off letter from SG Sign off Financial Plan Sign off delegated budget - Integration Joint Board Finance and Performance Committee Annual Report <p>Committee Annual Review</p> <ul style="list-style-type: none"> Review of Terms of Reference Review of the Risks, Controls and Assurance Framework to identify new objectives and risks and gaps in controls and assurances Review the business cycle

Standing Items

- Action Log
- Financial Management Performance Report
- Performance Management Report
- Risk Register

Quarterly Reports:

- Chair's Report - eHealth Programme Board and minutes
- Chair's Report - NHS Orkney's Resilience Planning Group and minutes

Ad Hoc Matters

- Strategies prior to Board approval
- Policies

- Business cases
- Capital Grants
- Banking arrangements
- Tenders
- Property Disposal
- Commissioning
- Audit Scotland Reports – when relevant
- Major Incident Plan

Set Agenda Items for Annual Development Session

- Review of Terms of Reference
- Review of the Risks, Controls and Assurance Framework to identify new objectives and risks and gaps in controls and assurances
- Review the business cycle
- Review the nature, format and frequency of reporting to ensure it is effective
- Review the effectiveness of committee process (including Action Plan, self assessment process, minutes and administration arrangements)
- Agree Development Plan for future year

Updated July 2018

Finance and Performance Committee – Record of Business 2018/19

Date	Paper Number	Title
31 May 2018	FPC1819-01	Financial Management and Control - Financial Management Performance Report – draft period 12
	FPC1819-02	Integration Joint Board Revenue and Expenditure Monitoring Report
	FPC1819-03	Revised Banking Arrangements
	FPC1819-04	Performance Report
	FPC1819-05	NHS Orkney Typing and Coding Report
	FPC1819-06	Elective Care Access Improvement Plan 2018/19
	FPC1819-07	Risk Register Report
26 July 2018	FPC1819-08	eHealth and IT update
	FPC1819-09	Performance Report
	FPC1819-10	Financial Management Performance Report for period ended 30 June 2018
	FPC1819-11	Integration Joint Board Revenue and Expenditure Monitoring Report
	FPC1819-12	Savings Plan
	FPC1819-13	Business Continuity Management policy
	FPC1819-14	Chair's Report - NHS Orkney's Resilience Planning Group
	FPC1819-15	Procurement Annual Report
	FPC1819-16	Risk Register Report
27 September 2018	FPC1819-17	Digital Health and Care Strategy
	FPC1819-18	Performance Report
	FPC1819-19	Cancer Waiting Times
	FPC1819-20	ISD Detect Cancer Early Staging Data (Year 6)
	FPC1819-21	Elective Care Access – Improvement Plan
	FPC1819-22	Savings Plan
	FPC1819-23	Financial Management Performance Report for period ended 31 August 2018
	FPC1819-24	Integration Joint Board Revenue and Expenditure Monitoring Report
	FPC1819-25	Banking Services Framework Award
	FPC1819-26	Risk Register Report
15 October 2018	FPC1819-27	Service Level Agreements Review
	FPC1819-28	Savings Plan
	FPC1819-29	Financial Management Performance Report for period ended 31 August 2018
	FPC1819-30	Financial Forward Look
29 November 2018	FPC1819-31	

6.1.2

	FPC1819-32	Performance Report
	FPC1819-33	Financial Plan Review
	FPC1819-34	Savings Plan
	FPC1819-35	Financial Management Performance Report for period ended 30 September 2018
	FPC1819-36	Integration Joint Board Revenue and Expenditure Monitoring Report
	FPC1819-37	Medical Staffing Costs
31 January 2019	FPC1819-36	Performance Report
	FPC1819-37	Financial Management Performance Report for period ended 31 December 2018
	FPC1819-38	Integration Joint Board Revenue and Expenditure Monitoring Report
	FPC1819-39	Operational Plan development and launch
	FPC1819-40	Waiting Times Improvement Plan
	FPC1819-41	Financial Plan and Capital Review 2019/20
	FPC1819-42	Savings Plan Review 2019/20
	FPC1819-43	Draft allocations 2019/20
	FPC1819-44	Updated Banking Arrangements
28 March 2019	FPC1819-45	Draft Operational Plan
	FPC1819-46	Draft Financial Plan
	FPC1819-47	Financial Management Performance Report for period ended 28 February 2019

1 Committee Membership

During the financial year ending 31 March 2019, membership of the NHS Orkney Clinical and Care Governance Committee comprised:

Committee Chair

Gillian Skuse, Chair up to 31 May 2018
Issy Grieve, Chair with effect from 23 August 2018

Committee members

Steven Johnston, Non Executive Director - Chair of Area Clinical Forum – Vice-Chair
Gerry O'Brien, Chief Executive
David Drever, Non Executive Director
Scott Hunter, Head of Service, Children and Families, Criminal Justice and Chief Social Work Officer
Ian Kinniburgh, Non Executive Director
David McArthur, Director of Nursing, Midwifery and Allied Health Professions
Chris Nicolson, Director of Pharmacy
Marthinus Roos, Medical Director (Executive Lead)
Sally Shaw with effect from 3 September 2018
Heather Tait, Public representative
Louise Wilson, Director of Public Health

Four Elected Orkney Islands Council members:

Rachel King, Integration Joint Board vice chair
Steve Sankey
John Richards

Stephen Clackson - deputy
David Dawson – deputy
Kevin Woodbridge – deputy

In Attendance

Christina Bichan, Head of Transformational Change and Improvement

The terms of reference are attached as **Appendix 1**.

2 Meetings

The Committee met on four occasions from 1 April 2018 to 31 March 2019:

22 May 2018
11 July 2018
10 October 2018
16 January 2019

The detailed attendance schedule is attached at **Appendix 2** which also shows

occasional observers and presenters of individual reports.

3 Business Plan

The Committee dealt with forty nine items of business within the financial year. The business cycle, record of business considered and work plan for 2018/2019 are attached as **Appendices 3 and 4**.

The minutes of the meetings of the Committee have been timeously submitted to the Orkney NHS Board, to Board of Orkney Health and Care (Integration Joint Board) and to the Orkney Health and Care Committee.

4 Governance Review

The Clinical and Care Governance Committee has a number of functions that serve both the NHS Board and the Integration Joint Board. In regard to NHS Orkney it provides assurance in respect of clinical quality and patient safety, effectiveness and experience through robust performance monitoring and reporting. The governance structure was reviewed following the establishment of the Quality Improvement Hub and the Quality and Safety Group, which is responsible for providing assurance to the Clinical and Care Governance Committee.

The Quality and Safety Group's overarching aim is to eliminate preventable deaths, seek out and reduce harm, improve patient outcomes, demonstrate delivery of high quality reliable care based on what matters most to patients, their families and carers.

The Chair and/or Vice Chair of the Clinical and Care Governance Committee have an open invitation to observe the working of the Quality and Safety Group.

5 Annual Performance Review / Development Session

The Clinical and Care Governance Committee reviewed its performance, terms of reference, business cycle and work plan at its meeting on 18 April 2018.

6 Risks and Risk Mitigation

The Clinical and Care Governance Committee scrutinises the Corporate Risk Register to ensure that aspects of risk within the remit of the Committee are being adequately managed and agrees any issues to be escalated to the Board or the Audit Committee.

The following issues were raised by the Clinical and Care Governance Committee during the year to:

7 Issues raised to Board or other Governance Committees

Board

- Adults with Incapacity, Falls, Delayed Discharges and the Autism Pathway
- Concerns around the proposed changes to the Joint Investigative Interviews of children and young people.
- Induction process for new non-executives and new Chief Officer within both NHS Orkney and the Integration Joint Board (IJB)
- Children being required to travel out with Orkney for joint investigation Interviews
- The issue of lack of attendance at the Clinical and Care Governance Committee
- Detect Cancer Early
- HSMR Policy approved
- Highlight Corporate Parenting Plan
- Autism Diagnosis Pathway
- The Committee decision relating to complaints processes and timescales

8 Issues raised by other Committees

Audit Committee

- Internal Audit reports for information

Finance and Performance Committee

- Children's and Adolescents Mental Health Services
- Dementia

Area Clinical Forum

- Autism Spectrum Disorder Pathway progression
- Learning from Clinical Incidents Policy was noted positively
- Feedback on realistic medicine including that the ACF look to champion and promote realistic medicine.

9 Cross Committee Assurance

- The Finance and Performance Committee highlighted delayed discharges and invited the Clinical Care Governance Committee to monitor progress and report any further concerns
- The Audit committee shared two Internal Audit reports (Nurses, Midwives Allied Health Professionals Revalidation and Waiting Times) with the Clinical Care Governance committee for information
- The Finance and Performance Committee highlighted an Integrated Joint Board, Chief Finance Officer, Children and Adolescents Mental Health Services Report and invited the Clinical Care Governance Committee to seek assurance relating to children's residential care funding. It also noted a concern raised regarding the inclusion of a Dementia target within the Local Delivery Plan standards.
- The Area Clinical Forum highlighted an update on the progression of the Autism Spectrum Disorder Pathway, the Learning from Clinical Incidents Policy and promotion of Realistic Medicine

10 **Successes**

The Clinical and Care Governance Committee's biggest successes during the year were:

- The impact of the reformed Quality and Safety committee in engaging health professionals in the more operational matters of Clinical Care.
- Monitoring progress on a number of areas where data required challenge and scrutiny
- Ensuring concerns were raised in the most appropriate committees.
- The closer working with colleagues within the local authority to ensure the health and social care agenda were comprehensively owned and scrutinised by those who were empowered to deliver effective services.

11 **Concerns**

The Clinical and Care Governance Committee's concerns during the year were:

- All matters of concern were raised either directly with the Board of NHS Orkney, or referred to a relevant committee. (see items 7, 8 and 9)

12 **Best Value**

The Committee is responsible for reviewing those aspects of the Best Value delegated to it from Orkney NHS Board.

13 **Action Plan and Progress**

The Clinical and Care Governance Committee Action Plan is included as a standing agenda item and progress is monitored at each meeting of the Committee.

14 **Conclusion**

The Clinical and Care Governance Committee is applying itself to relevant scrutiny, and seeking reassurance in a rigorous manner. The increasing engagement of its members, is testament to the healthy debate and professional discussion in which the committee engages. The committee is a key driver in relation to the commissioning of the Integration Joint Board (IJB) and I look forward to the further empowerment of this committee and its members, in ensuring the IJB continues to increase its relevance to the particular needs of our communities.

Signed Issy Grieve
Chair NHS Orkney Clinical and Care Governance Committee

NHS Orkney and Orkney Integration Joint Board Clinical and Care Governance Committee

Purpose:

The Clinical and Care Governance Committee fulfils a number of purposes as follows:

It provides the Board of NHS Orkney with the assurance that robust clinical governance controls and management systems are in place and effective throughout NHS Orkney.

It fulfils the function of providing the Orkney Health and Care Joint Board with assurance that robust clinical and care governance controls and management systems are in place and effective for the functions that NHS Orkney and Orkney Islands Council have delegated to it.

It provides the Orkney Health and Care Committee, a Committee of Orkney Islands Council, which has oversight of the operational delivery of the services that the Integration Joint Board commissions from Orkney Islands Council, with assurance that robust controls and management systems are in place and effective for social work and social care service delivery.

Composition:

Four Non Executive Members of NHS Orkney including Area Clinical Forum Chair.

Four Orkney Islands Council Elected Members who are members of the Integration Joint Board and/or the Orkney Health and Care Committee.

Medical Director (lead officer for clinical governance)

Director of Public Health

Chief Executive NHS Orkney

Director of Nursing, Midwifery and Allied Health Professions

Director of Pharmacy

Chief Social Work Officer

Public Representative

In Attendance:

Health Intelligence and Clinical Governance Manager

Head of Transformational Change and Improvement

Chief Officer Integration Joint Board (lead officer for care governance)

Quorum:

Meetings of the Committee will be quorate when at least five members are present and at least three of whom should be non executive members, one of whom must be the chair or vice-chair, one Orkney Islands Council Elected Member who is a member of the Integration Joint Board and/or the Orkney Health and Care Committee, and one executive member of NHS Orkney.

Any non-executive NHS Board member may deputise for a member of the Committee at any meeting.

Meetings:

The Committee will meet at least quarterly.

Remit:

Person Centred:

To provide assurance regarding participation, patient and service users' rights and feedback:

- to provide assurance that there are effective systems and processes in place across NHS Orkney and in the functions delegated to the Orkney Health & Care Joint Board to support participation with patients and communities, to comply with participation standards and the Patient Rights (Scotland) Act 2011 generally and specifically within the context of service redesign;
- to monitor complaints response performance on behalf of the Board of NHS Orkney and the Board of Orkney Health and Care for functions delegated, and promote positive complaints handling including learning from complaints and feedback;
- To provide assurance that there are effective system and governance processes for:
 - Equality and Diversity
 - Spiritual care
 - Volunteering
- To monitor performance of all services commissioned by / or with direct links to NHS Orkney and the Board of Orkney Health and Care
 - Patient Advisory and Support Service
 - Advocacy Services
 - Carers
 - Veterans

Safe (Clinical Governance and Risk Management)

To provide assurance in respect of clinical and care governance and risk management arrangements by seeking assurance that there are adequate systems and processes in place to ensure that:

- Robust clinical and care control frameworks are in place for the effective management of clinical and care governance and risk management and that they are working effectively across the whole of NHS Orkney and the functions delegated to the Board of Orkney Health and Care;

6.1.3

- Incident management and reporting is in place and lessons are learned from adverse events and near misses;
- Complaints are handled in accordance with national guidance and lessons are learned from their investigation and resolution including reports of the Social Work Complaints Review Committee, the Scottish Public Services Ombudsman and Mental Welfare Commission;
- Clinical and care standards and patient and service user safety are maintained and improved within the Board of NHS Orkney's annual efficiency programme and any other efficiency programmes of the Board of Orkney Health and Care.

Effective (Clinical and Care Performance and Public Health Performance and Evaluation):

To provide assurance that clinical and care effectiveness and quality improvement arrangements are in place.

- To ensure that recommendations from any inspections have appropriate action plans developed and are monitored and reported through an appropriate Committee;
- Where performance improvement is necessary within NHS Orkney or the functions delegated to the Board of Orkney Health and Care, the Committee will seek assurance regarding the reliability of the improvement intervention;
- Clinical dashboards and other data and measurement systems underpin the delivery of care;
- To ensure that the healthcare provided is informed by evidence based clinical practice guidelines;
- To ensure that staff governance issues which impact on service delivery and quality of services are appropriately managed through clinical and care governance mechanisms and effective training and development is in place for all staff.

Population Health:

To provide assurance that all necessary systems and processes are in place that ensure staff engaging in population health-related activities incorporate the key components of population health governance, namely:

- Quality and clinical effectiveness
- Public information and involvement
- Population health research
- Risk management

Social Work and Social Care Advisory Committees and Chief Social Work Officer's Report and Updates

To provide assurance in respect of social work and social care governance by seeking assurance that there are adequate systems and processes in place to ensure:

- Promotion of values and standards of professional practice, including all relevant National Standards and Guidance, and ensure local adherence with the Codes of Practice issued by the Scottish Social Services Council (SSSC) for social services workers and employers.

6.1.3

- Ensuring that all social service workers practice in line with the SSSC's Code of Practice and that all registered workers meet the requirements of their regulatory body;
- Maintenance and development of high standards of practice and supervision in line with relevant guidance;
- Effective governance arrangements for the management of the complex balance of need, risk and civil liberties, in accordance with professional standards;
- The promotion of continuous improvement and the identification of areas for professional development, workforce planning and quality assurance of services;
- Consideration of requirements for significant case reviews and/or serious incident reviews to be undertaken into critical incidents either resulting in – or which may have resulted in – death or serious harm;
- That only registered social workers undertake those functions reserved in legislation or are accountable for those functions described in guidance; and
- The application of evidence-informed good practice, including the development of person-centred services that are focussed on the needs of people who use services and support.

Best Value

The Committee is responsible for reviewing those aspects of the Best Value delegated to it from Orkney NHS Board, the Board of Orkney Health and Care and/or the Orkney Health and Care Committee. The Committee will put in place arrangements which will provide assurance to the Chief Executives (of NHS Orkney and of Orkney Islands Council), as accountable officers, that NHS Orkney, the Board of Orkney Health and Care and the Orkney Health and Care Committee has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executives should be included as an explicit statement in the Committee's Annual Report.

Authority:

The committee is authorised by the Board of NHS Orkney, the Board of Orkney Health and Care and the Orkney Health and Care Committee to investigate any activity within its Terms of Reference and in doing so, is authorised to seek any information it requires from any employee through appropriate staff governance standards / policies held by NHSO and OIC.

The Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney, the Chief Officer of the Board of Orkney Health and Care or Orkney Islands Council (in terms of the functions that are delegated by Orkney Islands Council to the Board of Orkney Health and Care) to attend whole or part of any meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to the Chair of the Clinical and Care Governance Group.

Reporting Arrangements:

- The Clinical and Care Governance Committee reports to Orkney NHS Board, to Board of Orkney Health and Care and to the Orkney Health and Care Committee.
- Following a meeting of the Clinical and Care Governance Committee the minute of that meeting should be presented at the next Orkney NHS Board meeting, the next Board of Orkney Health and Care, and the next meeting of the Orkney Health and Care Committee.
- The Clinical and Care Governance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Clinical and Care Governance Committee
- The Clinical and Care Governance Committee will produce an annual report for presentation to Orkney NHS Board, the Board of Orkney Health and Care and the Orkney Health and Care Committee. The Annual Report will describe the outcomes from the committee during the year and provide an assurance to the Audit Committee of both Boards, and the Orkney Health and Care Committee, that the Committee has met its remit during the year.

Reviewed and updated August 2017

6.1.3

Appendix 2

NHS Orkney – Clinical and Care Governance Committee - Attendance Record - Year 1 April 2018 to 31 March 2019:

Name:	Position:	22 May 2018	11 July 2018	10 October 2018	16 January 2019
Members:					
G Skuse	Chair (to 31 May 2018)	Attending			
I Grieve	Chair (from 23 August 2018)			Attending	Attending
S Johnston	Vice Chair	Attending	Attending	Attending	Attending
D Drever	Non Executive Board Member	Attending	D Campbell Deputising	Apologies	Attending
M Roos	Lead Officer and Medical Director	Apologies	Apologies	Attending	Attending
S Hunter	Chief Social Work Officer	Attending		Attending	Attending
R King	Integration Joint Board Vice Chair	Attending	Attending	Attending	Apologies
I Kinniburgh	Chair, NHS Orkney	Apologies	Attending		
D McArthur	Director of Nursing, Midwifery and Allied Health Professions	Attending	Attending	Attending	Attending
M McEwen	Non Executive Board Member			Attending	Attending
C Nicolson	Director of Pharmacy	Attending	Attending (VC)	Attending	Attending
G O'Brien	Chief Executive	Attending	Apologies	Attending	Attending
S Shaw	Chief Officer			Attending	Attending
J Richards	Elected Orkney Islands Council Member	Attending	Attending	Attending	Attending
S Sankey	Elected Orkney Islands Council Member	Apologies		Attending	Apologies
H Tait	Public Representative	Attending	Attending	Attending	Attending
L Wilson	Director of Public Health	Attending	Apologies	Attending	Apologies
In Attendance:					
C Bichan	Head of Transformational Change and Improvement	Attending	Attending	Apologies	Attending
Minute taker	Corporate Services	Emma West	Gemma Pendlebury	Heidi Walls	Heidi Walls

6.1.3

Name:	Position:	22 May 2018	11 July 2018	10 October 2018	16 January 2019
Ian Kinniburgh	NHS Orkney Chair				Attending
Attending for specific agenda item					
M Swannie	Interim Head of Children's Health Services	Attending		Attending	
K Carolan	Director of Nursing, NHS Shetland	Observing			
	Denotes attendance not required				

6.1.3

Appendix 3

Record of business 2018/2019

Date	Paper Number	Title
22 May 2018	CCGC1819-01	Safe and Effective Care - Adults with Incapacity
	CCGC1819-02	Quality and Safety Group Chair's report
	CCGC1819- 03	Significant Adverse Event Action Plan Update
	CCGC1819-04	Outpatient Waiting Times
	CCGC1819-05	HSMR Update Report
	CCGC1819-06	Policy Ratification - Discharge from Hospital Policy
	CCGC1819-07	Population Health - Public Health Reform
	CCGC1819-08	Social Work and Social Care - Chief Social Work Officer's Quarterly Report
	CCGC1819-09	Delayed Discharges – Analysis and Exploration
	CCGC1819-10	Local Community Justice Outcomes Approval Plan
	CCGC1819-11	Risk Register Report
	CCGC1718-12	Committee Annual Review
	CCGC1718-13	Committee Annual Review - Draft Clinical and Care Governance Committee Annual Report
11 July 2018	CCGC1819-14	Quality and Safety Group Chairs Report
	CCGC1819-15	Adults with Incapacity
	CCGC1819-16	Significant Adverse Event Action Plan Update
	CCGC1819-17	Outpatient Waiting Times
	CCGC1819-18	Policy Ratification
	CCGC1819-19	Internal Audit - Dispensing Practices for Controlled Drugs
	CCGC1819-20	Patient Experience Quarterly Report for period ended 31 March 2018
	CCGC1819-21	Patient Experience Annual Report
	CCGC1819-22	Public Health Priorities
	CCGC1819-23	Chief Social Work Officer's Quarterley Report
	CCGC1819-24	Joint Inspection of Adult Services
10 October 2018	CCGC1819-25	Risk Register Report
	CCGC1819-26	Quality and Safety Group Chair's Report
	CCGC1819-27	Adults with Incapacity - Quarterly Audit Report
	CCGC1819-28	Significant Adverse Event Action Plan Update
	CCGC1819-29	Elective Care Access Improvement Plan 2018/19 Update
	CCGC1819-30	HIS - final report of the National External review of Systemic Anti-Cancer Therapy delivery
	CCGC1819-31	Detect Cancer Early
	CCGC1819-32	Effective Cancer Access Performance Management
	CCGC1819-33	Hospital Standardised Mortality Ratio (HSMR) Policy
	CCGC1819-34	NHS Orkney Corporate Parenting Plan
	CCGC1819-35	Policy on Management of Bruising and Injuries
	CCGC1819-36	Director of Pharmacy Annual Report
	CCGC1819-37	Patient Experience Quarterly Report for period ended 30 June 2018
	CCGC1819-38	Chief Social Work Officer's Quarterly Report
	CCGC1819-39	Risk Register Report
16 January 2019	CCGC1819-40	Quality and Safety Group Chair's Report
	CCGC1819-41	Adults with Incapacity – Quarterly Audit Report
	CCGC1819-42	Significant Adverse Event Report
	CCGC1819-43	Elective Care Access Improvement Plan 2018/19 Update

6.1.3

Date	Paper Number	Title
	CCGC1819-44	Safe Staffing Bill Report
	CCGC1819-45	Learning from Clinical Incidents Policy
	CCGC1819-46	NHS Orkney Complaints Handling Policy and Procedure
	CCGC1819-47	Patient Experience Quarterly Report for period ended September 2018
	CCGC1819-48	Dementia Diagnosis Rates
	CCGC1819-49	Chief Social Work Officer's Quarterly Report
	CCGC1819-40	Quality and Safety Group Chair's Report
	CCGC1819-41	Adults with Incapacity – Quarterly Audit Report
	CCGC1819-42	Significant Adverse Event Report

6.1.3

Appendix 4

Clinical and Care Governance Committee Business Cycle / Work Plan 2018/19

Month	Agenda Item	Lead Officer
April	Committee Annual Report Quality and Safety Group Annual Report Annual Development Session – review: <ul style="list-style-type: none"> • Terms of Reference • Business cycle / work plan • Committee Self Assessment Northern Community Justice Authority Annual Report Dementia Diagnosis Rates six monthly report	Chair Quality and Safety Group Chair Chair Chief Social Work Officer Chief Officer
July	Patient Feedback Annual Report Fitness to Practice Annual Report – assurance from Staff Governance Committee Freedom of Information Annual Report Six monthly report on Adults with Incapacity Learning from Clinical Incidents Annual Report	Head of Transformational Change and Improvement Staff Governance Committee Chair Director of Nursing Director of Nursing Medical Director
October	Infection Control Annual Report Freedom of Information Mid Year Report Equality and Diversity Annual Report Winter Plan	Medical Director Director of Nursing Director of Nursing Head of Transformational Change and Improvement
January	Walkrounds Report Caldicott Guardian Annual Report Six monthly report on Adults with Incapacity	Head of Transformational Change and Improvement Director of Public Health Director of Nursing

Clinical and Care Governance Committee Standing Agenda Items

- Minutes
- Action Log
- Policy
- Quality and Safety Group Chair's exception report and minutes of meetings
- Information Governance Group Chair's report and minutes
- Area Drugs and Therapeutics Committee Chair's report and minutes
- eHealth Group Chair's Report and Minutes
- Medicines Management
- Quality of Care Measurement and monitoring report
- Chief Social Work Officer's Quarterly Report and minutes of meetings of:
 - Professional Social Work Advisory Committee
 - Professional Social Care Advisory Committee

6.1.3

- Corporate Risk Register
- Adults with Incapacity – Quarterly Audit Reports
- Patient Experience Quarterly Reports
- Significant Adverse Event Report
- Risks to be escalated to Audit Committee
- Emerging Issues
- Committee Evaluation

Ad Hoc Matters

- Reviewing Healthcare Improvement Scotland reports
- Reviewing significant reports and reviews from external bodies
- Ombudsman Reports
- Quality Improvement Hub Strategy Deployment Matrix – exception reports
- Significant event reports from other NHS employers
- High level reporting on significant service changes which have patient implications
- Approving changes to the operational arrangements for sub groups that feed into the committee e.g. terms of reference for the Steering Group, operational clinical governance groups,;
- In times of active flu pandemic the committee will receive status reports at each meeting
- Receiving Health Needs Assessment and seeking assurance that resources are being targeted at relevant health needs

Set Agenda Items For Annual Development Sessions

- Review of Terms of Reference
- Review of the Risks, Controls and Assurance Framework to identify new objectives and risks and gaps in controls and assurances
- Review the business cycle
- Review the nature, format and frequency of reporting to ensure it is effective
- Review the effectiveness of committee process (including Action Plan, self assessment process, minutes and administration arrangements)

January 2018

1 NHS Orkney Staff Governance Committee

Background

1.1 Staff Governance is defined as

“a system of corporate accountability for the fair and effective management of all staff”

1.2 The Staff Governance Standard sets out what each NHS Scotland employer must achieve in order to improve continuously in relation to the fair and effective management of staff. NHS Orkney recognises the importance of staff governance as a feature of high performance which ensures that all staff have a positive employment experience in which they are fully engaged with both their job, their team, and their organisation. Not only will achieving such an outcome have a positive impact on organisational performance, and therefore on quality of service provision, but it is also an important component of providing all employees with dignity at work.

The Standard specifies that staff are entitled to be:

- well informed;
- appropriately trained and developed;
- involved in decisions which affect them;
- treated fairly and consistently with dignity and respect, in an environment where diversity is valued; and
- provided with an improved and safe working environment, promoting the health and wellbeing of staff, patients and the wider community

The Standard also requires all staff to:

- keep themselves up to date with developments relevant to their job within the organisation;
- commit to continuous personal and professional development;
- adhere to the standards set by their regulatory bodies;
- actively participate in discussions on issues that affect them either directly or via their trade union/professional organisation;
- treat all staff and patients with dignity and respect while valuing diversity; and
- ensure that their actions maintain and promote the health, safety and wellbeing of all staff, patients and carers.

1.3 In the performance year 2018/2019, NHS Orkney's Staff Governance Committee continued its monitoring activities related to corporate objectives

and themes. The Committee members recognised their obligations to support a culture within NHS Orkney where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the organisation and is built on the principles of partnership.

The Staff Governance Committee has ensured that it is kept up to date on changes being implemented throughout the organisation affecting staff through service redesign, through Partnership Forum minutes and through the opportunity at each meeting for partnership representatives to make the Committee aware of any significant staff governance issues emerging.

1.4 Membership of the Staff Governance Committee is as follows:

Committee Chair

David Drever (up to 31 August 2018)
Caroline Evans

Committee Members

Fiona MacKellar, Vice chair – Employee Director
Gerry O'Brien, Chief Executive
Annie Ingram, Director of Workforce – LEAD
Steven Johnston, Non Executive Director (up to 31 August 2018)
Issy Grieve, Non Executive Director (from 1 September 2018)
Gerry O'Brien, Chief Executive
Kate Smith, Partnership Representative
Karen Spence, Partnership Representative (up to 31 August 2018)
Chris Werb, Partnership Representative (from 1 September 2018)
James Stockan, Non Executive Director (up to 31 August 2018)
David McArthur, Director of Nursing, Midwifery and Allied Health Professions (from August 2018)
Marthinus Roos, Medical Director

Deputies

Ryan McLaughlin, Partnership Representative
James Robertson, Partnership Representative

Officer Attendees

Ashley Catto, Human Resources Manager
David McArthur, Director of Nursing, Midwifery and Allied Health Professions
Julie Nicol, Head of Organisational Development and Learning

The Staff Governance Committee Terms of Reference is attached as **Appendix 1** and attendance list at **Appendix 2**.

2. Meetings held during period covered

30 May 2018
29 August 2018
21 November 2018
20 February 2019

- 2.1 The work of the Committee was set around key elements of the Staff Governance Standards. The Committee Risks Controls and Assurance Framework is attached as **Appendix 3**. The annual business cycle is key to the efficient working of the Committee and is attached as **Appendix 4** – the detail of business items is attached as **Appendix 5**.

3 Business Plan

The Business Plan / Work Plan for 2018/2019 is attached as **Appendix 6**. Assurance that Partnership Forum operates within its terms of reference is provided through receiving the minutes of all Partnership Forum meetings and, although a substantive Governance Committee of the Board, the Remuneration Committee provides its Annual Report, for information, to enable the Committee to provide overall assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114.

4 Action Plan and Progress

The Staff Governance Committee Action Plan is included as a standing agenda item and is monitored at each meeting of the Committee.

5 Annual Performance Review / Development Session

The Staff Governance Committee reviewed its Terms of Reference, Business Plan and Risks, Controls and Assurance Framework at the meeting on 23 January 2019 to ensure that all areas within the Committee remit were being reported on appropriately. The Committee also reviewed its performance over the year to identify any areas for improvement.

6 Risks and Risk Mitigation

The Committee scrutinises the Corporate Risk Register to ensure that aspects of risk within the remit of the Committee are being adequately managed, and agrees any issues to be escalated to the Audit Committee or Board.

7 Successes Overseen by Committee

The Staff Governance Committee has been successful in meeting the following achievements during the period covered:

- the new layout of the Workforce Report
- new Workforce Strategy
- Supporting iMatter
- Scrutiny of staff issues being raised by Area Partnership Forum
- Staff Governance monitoring arrangements

8 Concerns

The main concerns of the Committee were around:

- Ongoing challenges around issues raised through iMatter and how we address them.
- More transparency and governance required around the regional workforce agenda
- should be greater out of committee engagement between executive and non executive colleagues
- ongoing work required around dignity at work
- staff health and wellbeing, especially around mental health at work
- whistleblowing training available to staff

9 Issues raised to Board and Governance Committees

Board

- Some staff within Orkney Health and Care had not been able to complete the Dignity at Work survey
- Workforce projections considered but unable to be finalised due to ISD Data not yet being available
- The need to acknowledge leadership for Health and Safety within the organisation
- The Staff Governance Standard Monitoring Framework return had been approved
- Report on increase in youth employment and return to practice training
- Medical education ambitions
- Workforce plan – Board need to be advised on Staff Governance support
- Workforce challenges
- Regional working – workforce update

Finance and Performance Committee

- “Pay as if at work” and the financial implication to the Board

- Workforce challenges

The Committee receives feedback at each meeting on issues that have been raised to the Board.

10 Cross Committee Assurance

- Stress related sickness absence information
- Workforce report – correlation between statistics

11 Best Value

The Committee is responsible for reviewing those aspects of Best Value delegated to it from Orkney NHS Board. The Committee has taken a systematic approach to self evaluation and continuous improvement in performance and outcomes.

12 Conclusion

As Chair of the Staff Governance Committee during the period covered, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken, and the range of attendees at the meetings of the Committee has allowed us to fulfil our remit as far as possible as detailed in the Code of Corporate Governance.

As a result of this work I can confirm that adequate and effective Staff Governance arrangements were in place throughout NHS Orkney during the year.

My thanks to all members, attendees and administrative support staff for their contributions to the work of the Committee over the past year.

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Signed
Caroline Evans, Chair
On behalf of the NHS Orkney Staff Governance Committee

Staff Governance Committee

Purpose

The role of the Staff Governance Committee is to advise the Board on its responsibility, accountability and performance against the NHS Scotland Staff Governance Standard addressing the issues of Policy, targets and organisational effectiveness.

The NHS Reform (Scotland) Act requires the Board to put and keep in place arrangements for the purpose of improving the management of the officers employed, monitoring such management and workforce planning. This requires:

- Scrutiny of performance against the individual elements of the Staff Governance Standards
- Data collected during annual monitoring
- Action plans submitted to and approved by the Staff Governance Committee
- Staff Survey Results
- Data and information provided in reports to the Committee.

Composition

Four Non-Executive Members including Employee Director plus two lay representatives from trade unions and professional organisations nominated by the Partnership Forum
Chief Executive
Director of Workforce – Lead for Committee
Director of Nursing, Midwifery and Allied Health Professions
Medical Director

Attendance:

In addition there will be in attendance:

- Head of Organisational Development and Learning
- Local Human Resources Staff as required for specific agenda items

Quorum:

Meetings of the Committee will be quorate when two non-executive Board members, one executive member and one lay representative from union and / or professional body or deputy are present.

It will be expected that another non-executive Board Member will deputise for a member of the Committee at any meeting when required.

Meetings:

Meetings shall be held in accordance with the provision of Standing Order Section 2-3. The Committee will meet at least quarterly.

Responsibilities

The Staff Governance Committee shall have accountability to the Board for:

- Overseeing the commissioning of structures and processes which ensure that delivery against the Standard is being achieved;
- Monitoring and evaluating strategies and implementation plans relating to people management;
- Support policy amendment, funding or resource submissions to achieve the Staff Governance Standards;
- Endorse workforce policies following consultation through the Joint Staff Negotiating Committee and Partnership Forum;
- Monitor the progress of the Area Partnership Forum through joint Chair reports to each Committee and an annual Report to the Board.
- Seek assurance on the timely submission of all staff governance information required for providing national monitoring arrangements;
- Provide staff governance information for the governance statement through the Staff Governance Committee Annual Report:
- Review corporate risks relating to staff and workforce issues;
- Review performance, effectiveness and Terms of Reference of the Committee on an annual basis.

Best Value

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee.

In order to fulfill its remit, the Staff Governance Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to the Chair of the Staff Governance Committee.

Reporting Arrangements:

- The Staff Governance Committee reports to Orkney NHS Board
- Following a meeting of the Staff Governance Committee the minute of that meeting should be presented at the next Orkney NHS Board meeting
- The Staff Governance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Staff Committee
- The Staff Governance Committee will produce an annual report for presentation

6.1.4

to the Audit Committee and Orkney NHS Board. The Annual Report will describe the outcomes from the Committee during the year and provide an assurance to the Audit Committee that the committee has met its remit during the year.

- The Staff Governance Committee will receive the Remuneration Committee Annual Report, while remaining a substantive standing Committee of the Board itself, to enable the Committee to provide overall assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114.

Updated February 2018

6.1.4

Appendix 2

NHS Orkney - Staff Governance Committee Attendance Record - Year 1 April 2018 to 31 March 2019:

Name:	Position:	30 May 2018	29 August 2018	21 November 2018	20 February 2019
Members:					
D Drever	Chair,	Attending	Attending		
Caroline Evans	Chair			Attending	Attending
F MacKellar	Vice Chair	Attending	Attending	Attending	Attending
S Johnston	Chair – Area Clinical Forum	Attending	D Campbell (deputising)		
James Stockan	Non Executive Board Member		Attending from 1100	Apologies	
G O'Brien	Interim Chief Executive	Apologies	Attending	Attending	Attending
A Ingram	Director of Workforce (NHS Grampian)	Apologies		Apologies	
Marthinus Roos	Medical Director				
K Spence	Staff Representative	Attending	Apologies		
Chris Werb	Staff Representative		Attending		Attending
K Smith	Partnership Representative	Attending	Attending	Apologies	Attending
D McArthur	Director of Nursing, Midwifery and AHPs	Attending	Attending	Apologies	Attending
I Grieve	Non Executive Board Member		Attending	Attending	Attending
Caroline Evans	Non Executive Board Member		Apologies		
David Drever	Non Executive board Member			Attending	Attending
In Attendance:					
A Catto	Human Resources Manager	Attending	Attending	Attending	Attending
J Nicol	Head of OD and Learning	Attending	Attending	Attending	Attending
E West	Senior Committee Clerk	Attending			
G Pendlebury	Committee Support		Attending		
R Rendall	Committee Support			Attending	Attending
Deputising:					
	Denotes no Attendance Required				

6.1.4

Attending for specific agenda item	
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NHS Orkney Staff Governance Committee Risk, Controls and Assurance Framework

Building a Culture Where the Highest Possible Standards of Staff Management Are Delivered

The purpose of good governance is to direct and manage the affairs of an organisation and align corporate behaviour with the expectations of society and public interest. The process of corporate governance involves the identification of responsibilities and accountabilities and ensuring that there is a system of controls and assurances in place to deliver these. Key elements of corporate governance relate to the management of organisation performance, including financial performance. In NHS Orkney these aspects of Corporate Governance are delivered through the Staff Governance Committee. The Staff Governance Committee is responsible for oversight of staff governance within NHS Orkney and for assuring the Board that the necessary systems and structures are in place and working. This document aims to set out the principal objectives of the Committee, the risks that could prevent these objectives being achieved, the controls that are place to assist in the delivery of the objectives and the assurance processes for ensuring the objectives are being delivered and that the controls are working. The document also identifies gaps in the Committee's controls and assurances that will be closed through actions within the Committee's annual development plan.

Principal Objectives <i>(What we aim to deliver)</i>	Principal Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <i>(Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</i>
Fitness to Practice Ensuring that our staff are fit to deliver services	NHSO fails to carry out pre employment and ongoing checks to ensure that staff possess and maintain the qualifications, registration and accreditation required to practice.	<ul style="list-style-type: none"> Recruitment policy which defines pre employment checks. Locum appointment procedure Defined management responsibility for checking their staff have renewed registration. Maintenance of the GP Performers List 	<p>That the pre and post employment checks policies and procedures are working resulting in staff possessing and maintaining qualifications, registration and accreditation required. Demonstrated by reports to Staff Governance Committee (SGC) on:-</p> <ul style="list-style-type: none"> Annual audit of compliance with locum appointment arrangements Monitoring staff policies review 	

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
			cycle to ensure that policies have been updated and are fit for purpose.	
	Registered Nursing and Midwifery staff fail to maintain their registration	<ul style="list-style-type: none"> Process established to monitor registration requirements monthly Training provided to all registered nursing and midwifery staff regarding requirements for revalidation Lead Revalidation Officer appointed 	<p>That the process is working effectively resulting in all registered nursing and midwifery staff maintaining qualifications and revalidation. Demonstrated by report to SGC on:</p> <ul style="list-style-type: none"> Audited on a monthly basis Annual Report 	
	NHSO fails to tackle under performance resulting in staff providing poor or unsafe services.	<ul style="list-style-type: none"> Performance Management process Disciplinary process 	<p>That policies are effective in managing performance demonstrated by report to SGC on:-</p> <ul style="list-style-type: none"> Annual audit of staff who have received a performance review and have a personal development plan. Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. Regular Turas reports via Area Partnership Forum minutes and quarterly Workforce Data Report 	
	Staff do not have a way to raise concerns about colleagues performance or practice resulting in poor or unsafe practice going	<ul style="list-style-type: none"> Whistle Blowing Policy including <ul style="list-style-type: none"> Whistle blowing Champion 	<ul style="list-style-type: none"> Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose 	

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
	unchallenged.	<ul style="list-style-type: none"> ○ National Whistle Blowing helpline ○ Confidential Contacts 	<ul style="list-style-type: none"> • Quarterly report on use of policies (including Whistle Blowing Policy) in Workforce Data Report • Quarterly report on staff profile including policy usage in Workforce Data Report 	
	Staffing and HR issues that impact on the delivery of safe and effective care are not escalated and as a result are not resolved.	<ul style="list-style-type: none"> • Use of the incident reporting system to raise concerns 	<p>That staff are raising issues and that they are being acted on demonstrated by:-</p> <ul style="list-style-type: none"> • Quarterly reporting to the SGC of staffing and HR related incidents raised through the IR1 (Datix) process and the action taken. 	
	Staff do not have access to clinical supervision resulting in poor or unsafe practice.	<ul style="list-style-type: none"> • Clinical Supervision Policy • Mentoring Policy • Clinical Skills Training Room • Staff have access to training in other areas and on the job • departmental service delivery plans which set out training arrangements specific to each area 	<p>Monitoring of the Training and Development Plan to ensure compliance with clinical needs of services and demonstrated by:</p> <ul style="list-style-type: none"> • Annual Training and Development Report • Quarterly reports on Clinical Supervision Policy implementation • Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. 	<ul style="list-style-type: none"> • Reports on Clinical Supervision Policy implementation not being presented
	NHSO fails to adequately plan for and monitor skills mix changes resulting in poor or unsafe practice.	<ul style="list-style-type: none"> • Annual run of Workforce Tools as per workforce planning cycle 	The SGC receives the Workforce Plan projections supported by data from Workforce, Workload Planning	

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
			Tools	
Learning and Education Ensuring that our staff have equal access to learning, education and development opportunities to enable them to deliver safe services	Failure to provide appropriate training, development and education resulting in failure to meet patient safe and effective care.	<ul style="list-style-type: none"> Learning and Development Strategy Annual Learning and Development plan Organisational Development Plan 	<p>That the learning and development strategy is being implemented and that the annual Learning and Development plan is delivered. Demonstrated by:-</p> <ul style="list-style-type: none"> Sign off of the Corporate Learning and Education Plan 6 monthly update on progress on Learning and Education Plan 6 monthly monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose 	
	Failure to fully implement Knowledge and Skills Framework results in staff failing to meet patient needs.	<ul style="list-style-type: none"> Quarterly update on implementation. 	<p>Regular implementation progress reported to SGC, showing month on month increased update or clear actions to address failure.</p> <p>Turas fully implemented but no longer HEAT target – will be monitored locally</p>	
	Ensuring that Turas is seen as an invaluable tool that becomes embedded in staff and service development throughout the organisation and not just a tick-box exercise	<ul style="list-style-type: none"> Bimonthly update to APF 	The SGC receives the Area Partnership Forum minutes and issues raised through exception reporting.	
	Failure to implement national learning, education and	<ul style="list-style-type: none"> HR Services to identify national learning, education and 	SGC to receive regular updates on the key national strategies.	<ul style="list-style-type: none">

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
	development strategies results in NHSO not exploiting nationally developed opportunities.	development strategies and monitor progress.	Reviewing service provision from NHS NES	
	Staff do not have development plans resulting in development needs not being identified and failure to enable staff to maximise their full potential.	<ul style="list-style-type: none"> Performance Management and PDP policy 	<p>That policies are effective in managing performance demonstrated by:-</p> <ul style="list-style-type: none"> Annual audit of staff who have received a performance review and have a personal development plan. Results reported to SGC as part of Turas reporting 	
	Failure to offer adequate induction results in staff working unsafely	<ul style="list-style-type: none"> Provision of Corporate and departmental Induction programme Evaluation of Corporate and departmental Induction 	Data on take up and effectiveness of induction reported to SGC through the Learning Report	
	There are barriers to equity of access to training caused by example work pattern, profession or location.	<ul style="list-style-type: none"> Learning and Development Policy Equality monitoring of those attending training 	Annual report to SGC of the Learning Equality data	
Well Informed Ensuring that staff have access to the information required to deliver safe services.	Staff fail to receive accessible information about NHSO	<ul style="list-style-type: none"> Communication and Engagement Strategy Staff Governance and Staff Survey Action Plan 	<ul style="list-style-type: none"> Regular reporting to SGC on Action Plan Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. 	
	Failure to provide two-way	<ul style="list-style-type: none"> Communication and Engagement 	<ul style="list-style-type: none"> Regular reporting to SGC on 	

6.1.4

Principal Objectives <i>(What we aim to deliver)</i>	Principal Risks <u>(What could prevent this objective being achieved)</u>	Key Controls <u>(What controls and systems do we have in place to assist us in delivering our objective)</u>	Assurance on Controls <u>(Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)</u>	Gaps in Controls and Assurance <i>(Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)</i>
	communication results in staff concerns not being heard.	Strategy <ul style="list-style-type: none"> Staff Governance and Staff Survey Action Plan 	Action Plan <ul style="list-style-type: none"> Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. 	
	Communications systems are not available to all staff resulting in some people being excluded from communication.	<ul style="list-style-type: none"> Communication and Engagement Strategy Staff Governance and Staff Survey Action Plan 	<ul style="list-style-type: none"> Regular reporting to SGC on Action Plans Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. 	
Involved in Decisions	The Partnership structure is not well embedded resulting in failure to involve staff in decisions that affect them.	<ul style="list-style-type: none"> Active Area Partnership Forum 	Review of minutes of Area Partnership Forum	
	Service redesign and organisational change is not developed in partnership resulting in staff having no sense of ownership for changes.	SGC and APF identifying key changes and developments that need staff engagement and requesting regular updates from the Lead Officers on the impact of the changes.	Demonstrated by updates to the SGC outlining partnership and involvement arrangements through Partnership Forum minutes	
	Failure to properly engage staff results in a demotivated workforce and turnover.	<ul style="list-style-type: none"> Engagement measurements within Staff Survey and resulting action plan Implementation of i-matter 	Feedback on engagement scores within Staff Survey and progress updates on the action plan Progress report on implementation of i-matter	
	Failure to develop and deliver a workforce plan results in NHSO being unable to deliver services.	<ul style="list-style-type: none"> Development of annual workforce plan and action plan 	That NHSO is planning its future workforce requirements demonstrated by:- <ul style="list-style-type: none"> SGC reviewing and signing off 	

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
			<p>the workforce plan.</p> <ul style="list-style-type: none"> SGC receiving regular updates on progress with implementing the action plan. 	
Treated Fairly and Consistently	Failure to implement PIN policy results in employment arrangements in NHSO being less favourable to NHS Scotland resulting in demotivated staff and turnover.	<ul style="list-style-type: none"> Notification of PINs is received through Scottish Government circulars 	<p>That all PINs are fully implemented in NHSO demonstrated by:-</p> <ul style="list-style-type: none"> PINs documents being discussed at SGC. NHSO policies arising from PINs being approved on behalf of the Board by the SGC 6 monthly report on PIN implementation 	
	Failure to put in place adequate HR policies results in staff being treated unfairly and exposes NHSO to legal challenge.	<ul style="list-style-type: none"> Policy update and review timetable Monitoring changes to employment law 	<ul style="list-style-type: none"> Monitoring staff policy review cycle to ensure that policies have been updated and are fit for purpose. Annual report on how NHSO has responded to changes in Employment Law and proposed changes 	
	Failure to manage organisational change well results in lack of security of employment.	SGC identifying key changes and developments that need careful management and requesting regular updates from the Lead Officers on the impact of the changes.	<ul style="list-style-type: none"> Demonstrated by updates to the SGC outlining change management arrangements. Quarterly Workforce Report shows redeployment activity 	
	Pay and terms and conditions are not applied fairly or equitably resulting in staff feeling demotivated and NHSO being exposed to legal	<ul style="list-style-type: none"> Agenda for Change matching process embedded GMS and GDS contracts follow national guidelines 	<ul style="list-style-type: none"> Annual audit of Executive Cohort reported to Remuneration Committee Audit of Job Evaluation 	

6.1.4

Principal Objectives (What we aim to deliver)	Principal Risks (What could prevent this objective being achieved)	Key Controls (What controls and systems do we have in place to assist us in delivering our objective)	Assurance on Controls (Where have we evidence that shows we are reasonably managing our risks and that our objectives are being delivered)	Gaps in Controls and Assurance (Where are we failing to gain evidence that our controls / systems on which we place reliance are effective)
	challenge.	<ul style="list-style-type: none"> All other pay awards adhered to as per CEL 	Procedure to ensure compliance and consistency Nationally	
Improved and Safe Working Environment	Failure to put adequate Occupational Health and Safety arrangements in place results in higher levels of sickness absence.	<ul style="list-style-type: none"> Monthly review of sickness absence data 	<ul style="list-style-type: none"> Quarterly reporting on Sickness absence 6 monthly audit on compliance against policy 	
	Failure to implement national health and safety arrangements results in NHSO staff experiencing a less safe working environment that their colleagues in NHS Scotland.	<ul style="list-style-type: none"> Exception reports from Health and Safety Committee if there are any staff incidents 	<ul style="list-style-type: none"> SGC receive exception reports from Health and Safety if there are any staff incidents 	

Risk Source 1: National Staff Governance Standards, 2: Clinical Governance and Risk Management Standards, 3: Locally defined priority

6.1.4

Appendix 4

NHS Orkney Staff Governance Committee Business Cycle / Work Plan 2018-2019

Meeting	Fixed Agenda Items	Responsible Officer
May	<p>Final Governance Committee Annual Report</p> <p>Staff Governance and Staff Survey Action Plan full year report on progress against action plan</p> <p>Corporate Learning and Education Plan for future year</p> <p>Remuneration Committee Annual Report</p> <p>Annual Nursing Revalidation Report</p> <p>Workforce Projections</p> <p>Area Partnership Annual Report</p> <p>Report on status of PINs and progress against HR policy review timetable</p>	<p>Chair</p> <p>Employee Director</p> <p>Head of Organisational Development and Learning</p> <p>Director of Workforce</p> <p>Director of Nursing, Midwifery and Allied Health Professions</p> <p>Head of Organisational Development and Learning</p> <p>Employee Director</p> <p>Human Resources Manager</p>
August	<p>Fitness to Practice Audit Report - Audit of all newly recruited staff and 10% of existing staff</p> <p>Annual Report on Workforce Equality Measures</p> <p>Annual report on Corporate Training, Previous year's Learning and Development activity; Organisational Development</p> <p>Annual audit of compliance with locum appointment arrangements</p> <p>Annual Fitness To Practice report and audit and workplan.</p> <p>iMatter results</p>	<p>Human Resources Manager</p> <p>Human Resources Manager</p> <p>Head of Organisational Development and Learning</p> <p>Human Resources Manager</p> <p>Human Resources Manager</p> <p>Head of Organisational Development and Learning</p>
November	Six monthly update on progress on	Head of Organisational Development

6.1.4

Meeting	Fixed Agenda Items	Responsible Officer
	<p>Corporate Learning and Education Plan</p> <p>Annual audit of GP performers list</p> <p>Report on Staff Governance and Staff Survey Action Plan</p> <p>Sign off Workforce Plan</p> <p>Report on status of PINs and progress against Human Resources policy review timetable</p>	<p>and Learning</p> <p>Human Resources Manager</p> <p>Human Resources Manager / Employee Director</p> <p>Head of Organisational Development and Learning</p> <p>Human Resources Manager</p>
February	<p>Six monthly audit of fitness to practice of all newly recruited staff and 10% of existing staff</p> <p>Six month update on progress against Workforce Plan</p> <p>Annual report on how NHS Orkney has responded to changes in employment law in the last 12 months, anticipated changes and plans for dealing with these changes</p> <p>Six month update on progress against the Corporate Training Plan</p>	<p>Human Resources Manager</p> <p>Head of Organisational Development and Learning</p> <p>Director of Workforce</p> <p>Head of Organisational Development and Learning</p>

Standing Agenda Items

- Action Log
- Workforce Data Report
 - Staff Profile
 - Retention (starters, leavers and turnover)
 - Sickness Absence Report
 - Fixed Term Contracts
 - Bank / Excess Hours / Overtime
 - eKSF Progress Report
 - Redeployment
 - Locum Usage
 - Use of policies / Family Friendly Leave
 - Employee Relations
 - Freedom of Information
 - Learning and Development
 - Health Care Support Worker
 - Flying Start

- Occupational Health activity
- Escalated Staff Governance Matters
- Exception reports on Self Assessment Audit Tool
- Risks / staffing and HR related incidents raised through the IR1 (Datix) process and the action taken
- Learning and Education Steering Group Minutes
- Partnership Forum Chair's Report and exception report
 - Minutes of Area Partnership Forum

Ad Hoc Matters

- Policies
- Staff Governance Standard Action Plan
- Equality and Diversity Scheme
- Workforce Plan
- Human Resources Strategy
- Reports on audits undertaken
- Staff Survey iMatter reports
- Medical Revalidation Assurance Reports
- Nursing Revalidation Assurance Reports
- Allied Health Professions 2 yearly professional registration
- Equal Pay

Set Agenda items for Annual Review

- Review of Terms of Reference
- Review of the Risks
- Review nature, format and frequency of reporting to ensure it is effective
- Review the effectiveness of committee process (including Development Plan, Action Log, Self Assessment Process, minutes and administrative arrangements)
- Review committee Business Cycle
- Review and agree Committee work plan

Staff Governance Committee - Record of Business 2017/2018

Date	Paper Number	Title
30 May 2018	SGC1819-01	Governance - Area Partnership Forum Annual Report 2017/18
	SGC1819-02	Staff Governance Standard Monitoring Framework 2017/18
	SGC1819-03	Dignity at Work and iMatter Surveys
	SGC1819-29	Policies and Procedures
	SGC1819-31	Risks - Risk Register Report
	SGC1718-08	Risk Register Report
29 August 2018	SGC1819-08	Workforce Strategy
	SGC1819-09	Workforce Plan
	SGC1819-10	Brexit update
	SGC1819-11	Health Visitor Ombudsman Report – NHS Grampian
	SGC1819-12	Medical Education
	SGC1819-13	Workforce Report (April to June 2018)
	SGC1819-14	Report on status of PINs and progress against Human Resources policy review timetable
	SGC1819-15	Template for Trade Unions facilities time
	SGC1819-16	Control of Substances hazardous to Health policy
	SGC1819-17	Risk Register Report
21 November 2018	SGC1819-18	Annual Audit of GP Performers List
	SGC1819-19	BREXIT Update
	SGC1819-20	iMatter Report
	SGC1819-21	Workforce Report
	SGC1819-22	Report on Staff Governance Monitoring Letter
	SGC1819-23	Respiratory Protective Equipment (RPE) Policy
20 February 2019	SGC1819-24	Draft Staff Governance Committee Annual Report
	SGC1819-25	Staff Governance Standard Monitoring arrangements
	SGC1819-26	Brexit Update
	SGC1819-27	Health and Social Care Staff Experience Report 2018
	SGC1819-28	New Balfour Orientation plan
	SGC1819-29	Report on status of PINs and progress against HR policy review timetable
	SGC1819-30	Committee Annual Review

1 NHS Orkney Remuneration Committee

1.1 Composition

During the financial year 1 April 2018 to 31 March 2019 membership of the Remuneration Committee comprised of:

- 4 Non-executive Directors – one being the Employee Director

Committee Chair

Ian Kinniburgh

Committee Members

James Stockan, Vice-Chair
Meghan McEwen, Non Executive Board Member (from 1 September 2018)
Fiona MacKellar, Employee Director
Naomi Bremner, Non Executive Board Member (until 30 November 2018)

Officer Attendees

Annie Ingram, Director of Workforce – Lead
Gerry O'Brien, Chief Executive
Ashley Catto, Human Resources Manager

The Remuneration Committee Terms of Reference is attached as **Appendix 1**.

2 Meetings held during period covered

The Committee has met on four occasions during the period 1 April 2018 to 31 March 2019, on the undernoted dates:

31 May 2018
20 September 2018
20 November 2018
19 December 2018

The Attendance List is attached as **Appendix 2**

3 Business Plan

All business of the Committee has been conducted in private session.

The Remuneration Committee has an agreed business cycle and work plan and has worked to this cycle throughout the year. This has helped to structure the meetings to include the relevant work at the right time and ensure that all business scheduled for the year has been completed. The business cycle, record of business considered and work plan for 2018/2019 are attached as **Appendices 3, 4 and 5**.

4 Action Plan and Progress

The Remuneration Committee Action Plan is included as a standing agenda item and is monitored at each meeting of the Committee. There is currently no outstanding actions.

5 Risks and Risk Mitigation

The Committee has a Risks, Controls and Assurance Framework, attached as Appendix 6, which is reviewed annually.

6 Successes

The Remuneration Committee has been successful in addressing the historical backlog in Consultant Discretionary Point allocations and putting in place a robust mechanism for ensuring applications are dealt with appropriately.

The performance appraisal process for Executive Directors has been concluded successfully and signed off by the National Performance Management Committee for approval by the Cabinet Secretary.

The objective setting process has continued to evolve to more closely match individual objectives to Corporate and National priorities.

A training session for Members was completed during the year to ensure Non-Executives were sighted on all the technical issues associated with the work of the Committee.

7 Concerns

The Committee had no issues of concern during the year although the migration to the Turas electronic system was slow to be implemented due to competing pressures.

8 Annual Performance Review / Development Session

The Chair, Human Resources Manager, Head of Organisational Development and Learning and Corporate Services Manager reviewed the Committee Terms of Reference, Business Plan and Risks, Controls and Assurance Framework on the 21 January 2019 to ensure that all areas within the Committee remit were being reported on appropriately. The amended documents were then circulated to all committee members for approval.

A Committee effectiveness self evaluation questionnaire will also be issued and the outcomes reported to the next meeting.

9 Conclusion

As Chair of the Committee during the period covered, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken, ensuring best value, and the range of attendees at the meetings of the

6.1.5

Committee has allowed us to fulfil our remit as far as possible as detailed in the Code of Corporate Governance.

As a result of the work undertaken during the period this report covers, I can confirm that adequate and effective scrutiny and monitoring arrangements were in place throughout NHS Orkney.

Signed

Ian Kinniburgh, Chair
On behalf of the NHS Orkney Remuneration Committee
March 2019

Remuneration Committee – Terms of Reference

Purpose:

NHS Orkney is required to have a Remuneration Committee (herein referred to as the Committee) whose main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board as determined by Ministers and the Scottish Government.

In this regard, the Committee is a standing committee of the Board and will act with full authority in relation to the matters set out in its Role and Remit (detailed below). It will be required to provide assurance to the Staff Governance Committee (see separate constitution) that systems and procedures are in place to do so, enabling the overarching staff governance responsibilities to be effectively discharged.

Composition:

The Remuneration Committee shall consist of:

- The Chair of the Board (who will be the chair);
- Three other non executive members one of whom should, in normal circumstances, be the Employee Director.

Non Executive Members cannot be members of this Committee if they are independent primary care contractors.

Attendance:

In addition, there will be in attendance:

- Chief Executive
- Director of Workforce as advisor to the Committee.

At the request of the Committee, other Senior Officers also may be invited to attend.

All members of the Remuneration Committee will require to be appropriately trained to carry out their role on the Committee.

No employee of the Board shall be present when any issue relating to their employment is being discussed.

Quorum:

Meeting of the Remuneration Committee will be quorate when two non-executive members are present, one of whom must be the chair or vice-chair.

Any non-executive Board member, except if they are independent primary care contractors, with the agreement of the Chair may deputise for a member of the Committee at any meeting.

Meetings:

The Committee will normally meet at least twice a year, with such other meetings as

necessary to conduct the business of the Committee.

Remuneration issues may arise between meetings and will be brought to the attention of the Chair of the Remuneration Committee by the Chief Executive or the Director of Workforce. The Chair may call a special meeting of the Remuneration Committee to address the issue.

Remit:

The Remuneration Committee will oversee the remuneration arrangements for Executive Directors of the Board and also to discharge specific responsibilities on behalf of the Board as an employing organisation.

Ensure that arrangements are in place to comply with NHS Orkney Performance Assessment Agreement with Scottish Government direction and guidance for determining the employment, remuneration, terms and conditions of employment for Executive Directors, in particular:

- Approving the personal objectives of all Executive Directors in the context of NHS Orkney's Local Delivery Plan, Corporate Objectives and other local, regional and national policy;
- Receiving formal reports on the operation of remuneration arrangements and the outcomes of the annual assessment of performance and remuneration for each of the Executive Directors.

Promote the adoption of an NHS Orkney approach to issues of remuneration and performance assessment to ensure consistency.

Undertake reviews of aspects of remuneration and employment policy for Executive Directors (for example Relocation Policy) and, where necessary, other senior managers, for example special remuneration, when requested by NHS Orkney.

When appropriate, in accordance with procedures, consider any redundancy, early retirement or termination arrangement, including Employment Tribunal Settlements (approved by Scottish Government) in respect of NHS Orkney Executive Directors and, after due scrutiny, obtain a separate individual direction to make the actual payment. By exception, other challenging cases, not involving Executive Directors, may be discussed by the Committee, with the approval of the Chair.

In accordance with procedures, approve payment of Discretionary Points to locally employed consultant staff as recommended by the Discretionary Points Committee based upon professional advice and in accordance with current guidance issued by the Scottish Government Health and Social Care Directorates.

Confidentiality and Committee Decisions:

Decisions reached by the Committee will be by agreement and with all members agreeing to abide by such decisions (to the extent that they are in accordance with the constitution of the Committee). All Members will treat the business of the Committee as confidential. The Committee may in certain circumstances decide a voting approach is required with the Chair having a second and casting vote.

Minutes and Reports

The minutes will record a clear summary of the discussions, demonstrating challenge where relevant, and decisions reached by the Committee. The full minutes will be circulated to Committee members and non executive members of the Board only. An Annual Report on Committee business will be submitted to the Board.

Best Value

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from NHS Orkney Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive as Accountable Officer, that NHS Orkney has systems and processes in place to secure best value for these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

Authority

The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference, and in doing so, is authorised to seek any information it requires about any employee.

In order to fulfil its remit, the Remuneration Committee may seek additional professional advice, and it may require Directors or other officers of NHS Orkney to attend meetings, as necessary.

Reporting Arrangements

The Remuneration Committee is required to provide assurance that systems and procedures are in place to manage the responsibilities contained within its remit. It will do this by providing an annual report of its work to the Board. The Staff Governance Committee will **not** be given the detail of confidential employment issues: these can only be considered by Non-Executive Board Members.

Additionally the Remuneration Committee will:

- (a) provide a work-plan to the Staff Governance Committee within three months of the start of the year detailing the work to be taken forward; and
- (b) provide an Annual Report to the Board, describing the outcomes from Remuneration Committee during the year and providing an annual assurance that systems and procedures are in place to manage the pay arrangements for all Executive Directors and others under the Executive Cohort pay system so that overarching Staff Governance responsibilities can be discharged. The Annual Report will be prepared as close as possible to the end of the financial year but in enough time to allow it to be considered by the Board. This is to ensure that the Board is in a position in its Annual Report to provide the annual assurance that systems and procedures are in place to manage the pay arrangements for all staff employed in NHS Orkney.

Updated August 2016

6.1.5

Appendix 2

NHS Orkney - Remuneration Committee Attendance Record - Year 1 April 2018 to 31 March 2019:

Name:	Position:	31 May 2018	20 September 2018	20 November 2018	19 December 2018
Members:					
I Kinniburgh	Chair	Attending	Attending	Apologies	Attending
J Stockan	Vice Chair	Apologies	Attending	Attending	Attending
F MacKellar	Employee Director	Attending	Attending	Attending	Attending
N Bremner	Non Executive Board Member	Attending	Attending	Attending	
M McEwen	Non Executive Board Member		Apologies	Apologies	Attending
In Attendance:					
G. O'Brien	Interim Chief Executive	Attending	Attending	Attending	Attending
A Ingram	Director of Workforce		Attending	Apologies	Apologies
A Catto	Human Resources Manager	Attending	Apologies	Attending	Attending
J Aim	Board Secretary	Attending			
E West	Corporate Services Manager		Attending	Attending	Attending
Attending for specific item:					
Deputy	Non Executive Director			D Campbell	
M Roos	Medical Director			Attending	
Denotes no Attendance Required					

NHS Orkney Remuneration Committee Business Cycle 2017/2018

Month	Agenda Item
March / April	Annual Development Session Remuneration Committee Annual Report Approve work-plan for future year
July	Review formal reports on outcomes of the 2016/2017 annual assessment of performance of the Executive Directors Report to National Performance Management Committee Review and approve final 2017/2018 performance objectives for the Executive Directors with clear evidence that the objectives will deliver the Board's corporate objectives and corporate plan Receive and scrutinise report setting out severance payments to ensure that they are in line with national guidance
December	Discretionary Points for Consultants Discretionary Points for Medical Director Review and approve implementation of the 2016 / 2017 performance related pay (on receipt of NPMC letter)

Standing Items

- Matters Arising
- Action Log

Ad Hoc Matters

- Executive Director appointment arrangements, job descriptions, starting salaries
- Scottish Government Health Workforce and Performance Directorate guidance and circulars

Set Agenda Items For Annual Development Session

- Performance self evaluation
- Review of the Risks, Controls and Assurance Framework to identify new objectives and risks and gaps in controls and assurances
- Review the business cycle
- Review of Terms of Reference
- Review the nature, format and frequency of reporting to ensure it is effective
- Review the effectiveness of committee process (including Action Log, self assessment process, minutes and administration arrangements)
- Get development / input on learning areas identified

Updated November 2016

6.1.5

Appendix 4

Record of Business considered during 2018-2019

Date of Meeting	Reference	Agenda Item
31 May 2018	RC1819-01	2017/18 Executive Directors - Year End Performance Reviews
	RC1819-02	2018/19 Executive Directors - Draft Objectives
20 September 2018	RC1819-03	Remuneration of Head of Finance
	RC1819-04	Remuneration of Medical Director
	RC1819-05	NHS Orkney Discretionary Points Committee for 2014-15 and 2015-16
20 November 2018	RC1819-06	NHS Orkney Discretionary Points Committee for 2014-15 and 2015-16
19 December 2018	RC1819-07	2018/2019 Executive Directors – Mid Year Performance Review
	RC1819-08	Executive Managers Performance Achievement Scores
	RC1819-09	Consultants Discretionary Points 2016/2017 and 2017/2018
	RC1819-10	Severance Payments and Settlement Agreements
	RC1819-11	Notice Period of Chief Executive

Remuneration Committee 2018 – 2019 Workplan

Area of Committee Remit	Specific Actions That The Committee Will Take	Lead Officer	Date
Executive and Senior Manager Performance Planning for 2017 / 2018	Review the proposed 2017 / 2018 performance assessments for the Executive Directors and seek assurance that the process has been carried out robustly for other members of the senior manager cohort.	CEO	July 2018
	Review and approve implementation of the 2017 / 2018 performance related pay	CEO	December 2018
Executive and Senior Manager Performance Planning for 2018 / 2019	Review the proposed 2018/ 2019 performance objectives for the Executive Directors and seek assurance that the process has been carried out robustly for other members of the senior manager cohort.	CEO	July 2018
	Receive evidence that proposed objectives will deliver the Board's corporate objectives – corporate plan.	CEO	July 2018
	Seek assurance that the performance of Executive Directors and senior managers is being actively managed by reviewing reports from the Chair and Chief Executive and seeking assurance that the mid review process has been carried out robustly for other members of the senior manager cohort.	CEO / Chair	December 2018

Area of Committee Remit	Specific Actions That The Committee Will Take	Lead Officer	Date
Scrutinise the use of severance payments	Seek assurance that no severance payments are being made to Executive Directors without Board approval by receiving a report that compares all severance payments made with those agreed by the committee.	DW	July 2018
	Seek assurance that severance payments (redundancy, early retiral or termination arrangements) are in line with national policy by receiving a report outlining severance payments made during the year.	DW	July 2018
Consultant Discretionary Points	Receive recommendations of the allocation of discretionary points for consultant staff.	DW	December 2018
Other governance and assurance processes	Review the effectiveness of the Committee by undertaking an annual self-assessment review and development event.	Chair	March 2018
	Provide assurance to the Staff Governance Committee through the development and agreement of an annual report of the Committee's activities.	Chair	March 2018
	Participate in national Remuneration Committee member development workshops.	Chair	

NHS Orkney Remuneration Committee Risks, Controls and Assurance Framework

The purpose of good governance is to direct and manage the affairs of an organisation and align corporate behaviour with the expectations of society and public interest. The process of corporate governance involves the identification of responsibilities and accountabilities and ensuring that there is a system of controls and assurances in place to deliver these. This document aims to set out the principles objectives of the Remuneration Committee, the risks that could prevent these objectives being achieved, the controls that are place to assist in the delivery of the objectives and the assurance processes for ensuring the objectives are being delivered and that the controls are working. The document also identifies gaps in the Remuneration Committee's controls and assurances that will be closed through actions within the Committee's annual development plan.

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
Executive and senior managers are paid fairly and appropriately	NHS Orkney fails to implement a fair and transparent job evaluation system for executive and senior managers.	<ul style="list-style-type: none"> • Remuneration Committee members are kept up to date with SGHSCD job evaluation arrangements and guidance contained in HDL(2006)23 and HDL(2006) 59 so that they can provide effective challenge, scrutiny and performance monitoring of NHS Orkney executive and senior manager job evaluation arrangements. • The Remuneration Committee approves all new and revised executive and senior manager job descriptions. • All new and revised executive and senior manager job descriptions are submitted to the National Evaluation Committee for grading (NEC). • The Remuneration Committee 	<p>NEC outcome letters are on file for all executive and senior managers.</p> <p>The minutes of the Remuneration Committee would provide evidence that: -</p> <ul style="list-style-type: none"> • The Committee has received copies of SGHSCD guidance on the national job evaluation system HDL(2006)23 and HDL(2006) 59 and clear reports summarising content and local impact. • Committee has received new and revised job descriptions for approval. • Committee has received reports from Director of Workforce showing outcome of gradings and agreed salary implications. • Committee has received an annual 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
		receives reports from Director of Workforce on the outcomes from NEC and any pay implications arising from new and revised evaluations.	report listing all executive and senior manager posts, the NEC scores and lettered grading, the pay range, actual salaries and explanations of any variance. Where possible this should be backed up with the Auditors report.	
	Acting up payments are applied without reference to appropriate guidance or without adequate authorisation.	<ul style="list-style-type: none"> • Remuneration Committee members are trained on and kept up to date with SGHSCD guidance on executive and senior manager acting up arrangements contained in CEL(2007)4 so that they can provide effective challenge, scrutiny and performance monitoring of NHS Orkney executive and senior manager acting up proposals. • Remuneration Committee approves all executive and senior managers acting up payments before payment is made. • Payroll control processes are in place to prevent unauthorised payments being processed and to ensure that any requested payments correspond with the amount approved by the Committee. 	<p>The minutes of the Remuneration Committee would provide evidence that the: -</p> <ul style="list-style-type: none"> • Committee received copies of SGHSCD guidance on acting up arrangements and clear reports summarising content and local impact. • Committee received report from Director of Workforce on acting up payment proposals affecting executive or senior managers and authorised any payments. • Committee received Annual report identifying all acting up payments agreed by the committee compared to what was actually paid. 	
	Start salaries are	<ul style="list-style-type: none"> • Remuneration Committee 	The minutes of the Remuneration	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
	set without reference to appropriate guidance or without adequate authorisation.	<p>members are trained on and kept up to date with the SGHSCD guidance on starting salary arrangements contained in CEL(2007)4 so that they can provide effective challenge, scrutiny and performance monitoring of NHS Orkney executive and senior manager starting salary arrangements.</p> <ul style="list-style-type: none"> • Remuneration Committee approves all new executive and senior manager start salaries before payment. • Payroll control processes are in place to prevent unauthorised payments being processed and to ensure that any requested payments correspond with the amount approved by the Committee. 	<p>Committee would provide evidence that: -</p> <ul style="list-style-type: none"> • The Committee received copies of SGHSCD guidance on start salary arrangements and clear reports summarising content and impact. • The Committee received report from Director of Workforce containing proposal for start salaries and authorised any salaries. • Director of Workforce prepared an annual report identifying all new or promoted executive and senior managers, the start salary approved by the committee and the start salary actually paid. 	
	Pay increases and non consolidated performance payments are applied without reference to appropriate guidance or without adequate authorisation.	<ul style="list-style-type: none"> • Remuneration Committee members are trained on and kept up to date with the SGHSCD guidance on pay increases and non consolidated payments contained in HDL(2006)23, CEL(2007)4 and CEL(2007)22 so that they can provide effective challenge, scrutiny and performance monitoring of NHS 	<p>The minutes of the Remuneration Committee provide evidence that: -</p> <ul style="list-style-type: none"> • The Committee received copies of SGHSCD guidance on executive and senior manager pay increases and non consolidated performance arrangements and a clear report summarising the content and local impact. 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
		<p>Orkney executive and senior manager performance arrangements.</p> <ul style="list-style-type: none"> • Remuneration Committee approves the application or any pay increases or non consolidated payments before payment. • Payroll control processes are in place to prevent unauthorised payments being processed and to ensure that any requested payments correspond with the amount approved by the Committee. 	<ul style="list-style-type: none"> • The Committee received a report setting out the annual pay increases for executive and senior managers and authorised any increases. 	
	Executive and senior manager relocation expense packages are not adequately controlled.	<ul style="list-style-type: none"> • NHS Orkney has a clear relocation expenses policy. • Remuneration Committee members are kept up to date with the policy. • The Remuneration Committee receives reports on executive and senior manager expense claims that are within policy (i.e. up to £8,000). • The Remuneration Committee agrees in advance any relocation expenses packages for executive and senior managers that are greater than £8,000. 	<p>The minutes of the Remuneration Committee provide evidence that: -</p> <ul style="list-style-type: none"> • Any relocation expense packages for executive and senior manager were explicitly identified in the start salary report presented by the Director of Workforce. • The Committee received reports on executive and senior manager removal expense claims. • The Committee received an annual report setting out the relocation expense packages agreed for executive and senior 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
			managers compared to the actual amount paid.	
	Executive and senior managers' expenses are not adequately controlled.	<ul style="list-style-type: none"> NHS Orkney has a clear policy on expenses that complies with Agenda for Change Handbook. 	<ul style="list-style-type: none"> Payroll control processes are in place to prevent unauthorised payments being processed and if issues raised Committee would be alerted and investigated by Internal Audit as part of work plan 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
Executive and Senior Management recruitment follows Board policies and procedures.	Executive and senior manager recruitment arrangements fail to meet the Board's policies and procedures	<ul style="list-style-type: none"> NHS Orkney has clear policies and procedures on recruitment. Remuneration Committee members are kept up to date with the Board's recruitment policy and procedures and sections of the Code of Corporate Governance that set out recruitment arrangements. Remuneration Committee receives reports from Director of Workforce on all planned executive manager recruitment covering background to vacancy, evidence that post has been evaluated at advertised level, relevant guidance from policy or Code of Corporate Governance, selection tools and interview panel arrangements and proposed advertising method. Committee approve the report prior to advertising. Where the Board is proposing to use long term secondments to cover an executive or senior manager vacancy the accommodation and travel costs are identified and reported to the Committee. 	<p>The minutes of the Remuneration Committee provide evidence that: -</p> <ul style="list-style-type: none"> The Committee received recruitment reports for all executive manager vacancies and approved the plans ahead of advertising. The Committee received reports on the costs associated with long-term secondments. 	
Any decision to	NHS ORKNEY	<ul style="list-style-type: none"> Remuneration Committee 	The minutes of the Remuneration	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
use public money to fund premature retirements severance or redundancy payments stands up to public scrutiny	agrees severance payments to Executive Directors without reference to appropriate guidance or without adequate authorisation or makes unlawful payments	<p>members are trained on and kept up to date with the SGHSCD guidance on severance payments set out in Section 16 of Agenda for Change Handbook so that they can provide effective challenge and scrutiny to any proposals brought before them.</p> <ul style="list-style-type: none"> • Remuneration Committee receives reports from Director of Workforce on any proposed redundancy or severance settlement to Executive Directors. The reports contain costed options that include all elements of costs e.g. notice. • Committee approval is granted before any payment is made. • Payroll control processes are in place to prevent unauthorised payments being processed. 	<p>Committee provide evidence that: -</p> <ul style="list-style-type: none"> • Remuneration Committee received Agenda for Change Handbook – Section 16 – Redundancy pay • Annual audit of severance payments was conducted. • Director of Workforce prepared and presented an annual report for the committee summarising all severance payments that have been made, whether they were approved and whether the amount agreed by the Committee corresponds with the amount paid out. 	
	NHS Orkney oversees, approves and scrutinises severance scheme payments to employees when managing organisational change	<ul style="list-style-type: none"> • Remuneration Committee receives reports from Director of Workforce during period of managing organisational change on any proposed redundancy or severance scheme settlements to employees . The reports contain costed options that include all elements of costs e.g. notice. • Committee approval is granted 	<p>The minutes of the Remuneration Committee provide evidence that: -</p> <ul style="list-style-type: none"> • Remuneration Committee received and approved a Voluntary Severance Scheme. • Remuneration Committee received reports on requests for redundancy, severance and tribunal payments and authorised 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
		before any payment is made. <ul style="list-style-type: none"> Payroll control processes are in place to prevent unauthorised payments being processed. 	or rejected payments. <ul style="list-style-type: none"> Annual audit of severance payments was conducted. 	
	NHS Orkney scrutinises severance payments (premature retirements, severance or redundancy) to employees	<ul style="list-style-type: none"> Remuneration Committee receives reports from Director of Workforce on any severance payments made to employees, including costs, providing assurance that Agenda for Change terms and conditions have been followed. 	The minutes of the Remuneration Committee provide evidence that: - <ul style="list-style-type: none"> Remuneration Committee received and scrutinised report on annual audit of severance payments. Annual audit of severance payments was conducted. 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
Executive and senior manager performance is managed in an effective, fair and transparent way	The Chair and Chief Executive fail to identify specific, measurable, attainable, realistic and timely performance objectives for their direct reports.	<ul style="list-style-type: none"> The Board has clear guidance in place on implementing the NHS Scotland Government executive and senior manager performance management arrangements. The guidance complies with 'Performance Management Good Practice Guide', PCS(ESM)2013/1. The Board implements and communicates a clear performance management timetable. The Chair and CEO are trained on the performance management arrangements and system. The Chair and CEO agree the CEO's performance objectives for the current performance year by the end of April each year. The CEO and executive team members agree their objectives for the current performance year by the end of April each year. 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> The Remuneration Committee received and approved a document outlining NHS Orkney's approach to implementing the NHS Scotland executive and senior manager performance arrangements. The Remuneration Committee received and approved a performance management timetable. The Remuneration Committee received assurance that the Chair and CEO had received training on the NHS Scotland executive and senior Manager performance management arrangements and were competent to apply them. The Remuneration Committee received, challenged and approved the objectives for the CEO and executive managers by the end of May each year. 	
	Executive and senior managers do not buy into the performance management framework.	<ul style="list-style-type: none"> The Board has clear guidance in place on implementing the NHS Scotland Government executive and senior manager performance management arrangements. The guidance complies with 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> The Remuneration Committee received and approved a document outlining NHS Orkney's 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
		<p>'Performance Management Good Practice Guide', PCS(ESM)2013/1.</p> <ul style="list-style-type: none"> The Board implements and communicates a clear performance management timetable. Executive and senior managers are familiar with the performance management arrangements and system. The Remuneration Committee challenges, scrutinises and approves the performance objectives for executive managers. 	<p>approach to implementing the NHS Scotland executive and senior manager performance arrangements.</p> <ul style="list-style-type: none"> The Remuneration Committee received and approved a performance management timetable. The Remuneration Committee received assurance that the executive managers had received training on the NHS Scotland executive and senior manager performance management arrangements and were competent to apply them. 	
	The executive and senior managers' objectives are not aligned with the Local Delivery Plan, HEAT targets or corporate objectives.	<ul style="list-style-type: none"> The Local Delivery Plan and corporate objectives are signed off by April each year to enable the targets to be cascaded to individual's performance objectives by the start of the financial year. The Senior Management Team conducts a mapping session to ensure that all the targets and objectives are captured appropriately within their own and their teams' performance plans. 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> The Committee received a report or presentation from the CEO demonstrating how the LDP and corporate objectives were covered within the executive team's performance plan. 	
	The Chair and	<ul style="list-style-type: none"> The Board has clear guidance in 	The minutes of the Remuneration	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
	Chief Executive fail to adequately manage their direct reports performance by failing to conduct mid year and annual performance reviews.	<p>place on implementing the NHS Scotland Government executive and senior manager performance management arrangements. The guidance complies with 'Performance Management Good Practice Guide', PCS(ESM)2013/1.</p> <ul style="list-style-type: none"> • The Board implements and communicates a clear performance management timetable. • The Chair conducts an interim performance review with the CEO by no later than the end of November each year. • The CEO conducts interim performance reviews with the executive managers by no later than the end of November each year. • The Chair conducts an annual performance review with the CEO no later the end of May each year. • The CEO conducts annual performance reviews with the executive managers by no later than the end of May each year. 	<p>Committee evidence that: -</p> <ul style="list-style-type: none"> • The Chair presented a copy of the CEO's mid-year performance review documentation in November and final appraisal documentation in June each year. Members of the Committee challenged and scrutinised the assessments to provide themselves with assurance that it was robust, evidenced and auditable. • The CEO presented copies of the executive teams interim performance review documentation in November and final appraisal documentation in June each year. Members of the Committee challenged and scrutinised the assessments to provide themselves with assurance that they were robust, evidenced and auditable. 	
	Performance scores in NHS Orkney are more	<ul style="list-style-type: none"> • The Board has clear guidance in place on implementing the Scottish Government executive 	The minutes of the Remuneration Committee evidence that: -	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
	generous or harsher than other Boards in NHS Scotland.	<p>and senior Manager performance management arrangements. In particular the guidance creates a common understanding of performance category indicators.</p> <ul style="list-style-type: none"> • Members of the Remuneration Committee provide effective challenge and scrutiny of the assessments provided by the Chair and CEO. • The Chair signs off the performance scores as a true record of the position agreed by the Remuneration Committee. • The Board submits its performance scores for review by the National Performance Management Committee. • Remuneration Committee members participate in national and regional workshops provided by the National Performance Management Committee. 	<ul style="list-style-type: none"> • The Committee received a summary of the final performance scores awarded to each objective for the CEO and executive managers. • The Committee received a copy of the data submitted to the National Performance Management Committee. • The Committee received a copy of any correspondence between the Chair and the National Performance Management Committee. 	
	The Remuneration Committee fails to put in place effective arrangements to provide challenge and scrutiny to the performance management	<ul style="list-style-type: none"> • Remuneration Committee members are trained on the Scottish Government executive and senior Manager performance management arrangements. • Remuneration Committee members are kept up to date with SGHWPD guidance on performance by the Director of 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> • The Committee received copies of SGHSCD guidance on performance management. • Members of the Committee received training on the performance management 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
	arrangements.	Workforce circulating revised guidance and providing a report summarising the guidance and the implications.	arrangements. <ul style="list-style-type: none"> Members attended national and regional workshops and agreed and documented lessons learnt. 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
Disciplinary	The Board fails to manage executive or senior manager disciplinary matters in a fair or effective way.	<ul style="list-style-type: none"> NHS Orkney has a Management of Employee Conduct Policy for dealing with disciplinary matters of all staff. 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> The Committee was made aware of any disciplinary matter and provided with assurance that this was dealt with in a fair or effective manner. 	
Consultant Discretionary points are allocated in a fair and transparent way	The process for awarding points is flawed and / or unfair.	<ul style="list-style-type: none"> NHS ORKNEY has a clear process in place for awarding consultant discretionary points. The process complies with national guidance PCS (DD)1995 6. Remuneration Committee members are trained on the process. NHS Grampian scores the applications on behalf of NHS Orkney and presents to the Remuneration Committee - the decision making body with regard to the allocation of points. 	<p>The minutes of the Remuneration Committee evidence that: -</p> <ul style="list-style-type: none"> The Committee was made aware of national guidance on the application of consultant discretionary points. The Committee received and approved a process for awarding points that complied with the national guidance. The Committee received reports from NHS Grampian setting out the scoring of the applications to consider and allocate as appropriate. 	
The Remuneration Committee operates effectively	The Remuneration Committee is not properly constituted.	<ul style="list-style-type: none"> NHS Orkney's Remuneration Committee is constituted in line with Annex 3 of MEL (1993) 114. It is appointed by the full Board. It has agreed terms of reference that comply with the MEL above. 	<ul style="list-style-type: none"> The existence of up to date terms of reference which have been approved by the Audit Committee and Board. Evidence that the terms of reference were reviewed as part of 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
			the annual development session.	
	The Remuneration Committee does not have explicit agreement with their executive officers about the nature, format and frequency of reports required by the Committee to fulfil its responsibilities.	<ul style="list-style-type: none"> • Risk, Controls and Assurance framework that identifies the assurance that the Committee needs and therefore the business cycle of the committee. • Agreed business cycle that stipulates the nature and frequency of reports. • Agreed templates for summary, job descriptions, NEC outcome, mid-year and annual performance review, objectives, relocation expenses, severance and redundancy reports. 	<ul style="list-style-type: none"> • The existence of the Risk, Controls and Assurance framework. • The existence of a business cycle. • The existence of agreed templates. 	
	The Remuneration Committee fails to keep a clear record of decisions taken.	<ul style="list-style-type: none"> • Agreed standard of minute taking • Central electronic and paper file of all papers and minutes held by the Board Secretariat • Draft minutes agreed by Chair of Committee 	<ul style="list-style-type: none"> • Annual External Audit report 	
	Decisions are not followed through.	<ul style="list-style-type: none"> • The Committee uses a short-term action log to record and monitor progress against actions. • The Committee explicitly identifies how it will assure itself that decisions have been implemented as part of the self-assessment process. 	<ul style="list-style-type: none"> • Existence of an up to date action log. • self-assessment carried out after each meeting led by Chair. 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
	The Remuneration Committee does not provide adequate challenge and scrutiny.	<ul style="list-style-type: none"> Annual training needs assessment conducted with members. Core data set outlined in Self Assessment guide made available to each member and updated as guidance changes. Business cycle used to ensure all areas of assurance are covered within an annual cycle. Annual development session conducted to review performance, review annual report and risks, controls and assurance framework. 	<ul style="list-style-type: none"> Committee self-assessment questionnaires produced after each meeting. Completed training needs assessment. Business cycle exists and is used. Annual development sessions take place. All members have copy of Core Document Set. 	
	The Committee's arrangements and performance are not adequately scrutinised by the Board	<ul style="list-style-type: none"> Full minutes produced and available to all Non Executive Board Members. Annual Report submitted to Staff Governance Committee and Board. Annual work plan submitted to the Staff Governance Committee for approval. Annual report providing assurance on all executive pay, grading and recruitment arrangements, severance payments, executive and senior managers expenses and consultant discretionary points 	<ul style="list-style-type: none"> Annual Report to Board showing that the abridged minutes, annual work plan and annual report were submitted. 	

Principle Objectives	Principle Risks	Key Controls	Assurance on Controls	Gaps in Controls and Assurance
		submitted to Board.		
	The Committee operates sub optimally because it fails to identify gaps in its performance.	<ul style="list-style-type: none"> The Committee holds an annual development event where it assesses its performance, reviews the risks, controls and assurance framework, addresses development needs identified through the training needs assessment and agrees the development plan for the coming year. 	<ul style="list-style-type: none"> Outcome from Development Session presented to Committee and included in final version of Annual Report. 	

Reviewed November 2016

Not Protectively Marked

NHS Orkney Board – 26 June 2019 Report Number: OHB1920-13 This report is for approval Code of Corporate Governance – Review	
Lead Director Author	Gerry O'Brien, Interim Chief Executive Emma West, Corporate Services Manager
Action Required	<p>The Board is asked to:</p> <ul style="list-style-type: none"> • <u>Approve</u> the reviewed and updated Code of Corporate Governance as recommended by the Audit Committee
Key Points	<p>Due to the ongoing NHS Corporate Governance Steering Group work "once for Scotland corporate governance materials and resources" it is proposed that only minor amendments, as stated in the paper, are made to the Code of Corporate Governance.</p> <p>The Governance Committees review their Terms of Reference on an annual basis and these amendments have been included as amendments.</p> <p>There have also been minor amendments to the Standing Financial Instructions as listed within the report.</p>
Timing	The Code of Corporate Governance is reviewed on an annual basis to take account of changes in legislation and outcomes from the Governance Committee and Board annual performance assessment and review of key documents.
Link to Corporate Objectives	<p>The Corporate Objectives this paper relates to:</p> <ul style="list-style-type: none"> • Create an environment of service excellence and continuous improvement;

Not Protectively Marked

NHS Orkney Board

Code of Corporate Governance – Review

Emma West, Corporate Services Manager

Section 1 Purpose

The purpose of this report is to present the updated Code of Corporate Governance for Board approval.

Section 2 Recommendations

The Board is asked to approve the proposed changes to the Code of Corporate Governance

Section 3 Background

NHS Orkney is required to have a Code of Corporate Governance which sets out:

- How the business of Orkney NHS Board and its Committees is organised
- Members' Code of Conduct
- Standard of Business Conduct for NHS Staff
- Fraud Standards
- Reservation of powers and delegation of authority
- Standing Financial Instructions

The Code of Corporate Governance is reviewed on an annual basis to take account of changes in legislation and outcomes from the Governance Committee and Board's annual performance assessment and review of key documents.

Section 4 Discussion

Due to the ongoing NHS Corporate Governance Steering Group work "once for Scotland corporate governance materials and resources" it is proposed that only minor amendments, as stated in the paper, are made to the Code of Corporate Governance.

This work includes progressing model products including Standing Orders, schemes of delegation, Standing Financial Instructions, and Committee Terms of Reference.

All Governance Committees carried out an annual assessment of their performance over the year at which time they reviewed and updated the Terms of Reference which once approved by Audit Committee and Board will be incorporated in the Board's Standing Orders.

Section 5 Changes Made

Section / Change: Paragraph:

Section A
Throughout

Board Secretary amended to Corporate Services Manager to reflect change in staffing structure

Garden House amended to The Balfour

4.1 Updated to 'approved minutes of each committee of the Board shall be submitted as soon as is practicable to an ordinary meeting of the Board.

Governance
Committee Terms
of Reference

- Audit Committee Terms of Reference
- Finance and Performance Committee Terms of Reference
- Remuneration Committee Terms of Reference
- Staff Governance Committee Terms of Reference

Standing Financial
Instructions

7.2 Reference to duplicate keys removed as not applicable

7.5 'neither of whom should be the Cashier' to be removed

7.9 Reference to Prepayment Certificates removed as no longer applicable

Code of Corporate Governance

Policy Author:	Corporate Services Manager
Policy Owner (for updates)	Corporate Services Manager
Engagement and Consultation Groups:	Governance Committees / Audit Committee / Board members
Approval Record	Date
Audit Committee	26 June 2019
Board	26 June 2019
Equality and Diversity Rapid Impact Assessment	Not applicable
Version Control	
Version Number	13
Date of Original Document	February 2004
Last Change and Approval Date	25 June 2018
Last Review Date	June 2019
Next Formal Review Date	June 2020
Location and Access to Documents	
Location of master document	Corporate Services folder – G drive
Location of backup document	Meetings folder – G drive
Location of E&D assessment	n/a
Access to document for staff	Blog and website
Access to document for public	website
Post holders names at last review	
Corporate Services Manager	Emma West

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Telephone: (01856) 888910

Email: orkney.corporateservices@nhs.net

Index

Introduction

		Page
Section	How business is organised	
A	This section explains how the business of Orkney NHS Board and its Committees is organised	7
Section	Members' Code of Conduct	
B	This section is for Members of Orkney NHS Board and its Committees and details how they should conduct themselves in undertaking their duties	51
Section	Standard of business conduct for NHS staff	
C	This section is for all staff to ensure they are aware of their duties in situations where there may be conflict between their private interests and their NHS duties	75
Section	The Fraud Standards	
D	This section explains how staff must deal with suspected fraud, theft and corruption including bribery	91
Section	Reservation of powers and delegation of authority	
E	This section gives details and levels of delegation across all areas of our business	112
Section	Standing Financial Instructions	
F	This section explains how staff will control the financial affairs of NHS Orkney and ensure proper standards of financial conduct	126

Introduction

1

Code of Corporate Governance

- 1 The Code of Corporate Governance includes the following sections:

Section A – How business is organised
Section B – Members' Code of Conduct
Section C – Standards of business conduct for NHS staff
Section D – Fraud Standards
Section E – Reservation of powers and delegation of authority
Section F – Standing Financial Instructions

It uses best practice in Corporate Governance as set out in the Cadbury, Nolan and other reports, and guidance issued by the Scottish Government Health and Social Care Directorates and others.

The Board reviews and approves the Code of Corporate Governance each year. The Standing Orders are made in accordance with the Health Board's (Membership and Procedure) (Scotland) Regulations 2005.

Statutory provision, legal requirement, regulation or direction by Scottish Ministers take precedence over the Code of Corporate Governance if there is any conflict.

2 Orkney NHS Board

Orkney NHS Board, 'The Board', means Orkney Health Board which is the legal name. It is a strategic body, accountable to the Scottish Government Health and Social Care Directorates and to Scottish Ministers for the functions and performance of NHS Orkney. It consists of the Chair, Non-Executive and Executive Members appointed by the Scottish Ministers to constitute Orkney Health Board under the terms of the National Health Services (Scotland) Act 1978 as amended.

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

The Overall purpose of Orkney NHS Board is:

- NHS Orkney Board's **purpose** is simple, as a Board we aim to **optimise health** (whilst supporting the local population to do their bit in keeping well), **optimise care and optimise cost**.
- Our **vision** is to *be the best remote and rural care provider in the UK*

Our Corporate key aims are:

- Improve the delivery of safe, effective patient centred care and our services;
- Optimise the health gain for the population through the best use of resources;
- Pioneer innovative ways of working to meet local health needs and reduce inequalities;
- Create an environment of service excellence and continuous improvement; and
- Be trusted at every level of engagement.

The Purpose of the Board

- Formulating strategy for the organisation, including the development annually of a local operational plan whilst also contributing to the Regional Delivery Plan
- Ensuring commitment and accountability by holding the organisation (all staff) to account for performance and the delivery of both improvement in population health and, individual experience of care; whilst operating with a context of affordability and sustainability
- Shaping a positive culture (open, just and fair) for the Board and organisation

Responsibilities of Members of the Board

Membership of Orkney NHS Board carries with it a collective responsibility for the discharge of these functions.

All members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments and accountability, upwards to Scottish Ministers and outwards to the local community.

The Orkney NHS Board is a strategic body, accountable to the Scottish Government Health and Social Care Directorates and to Scottish Ministers for:

- The designated functions of the NHS Board; and
- The performance of the NHS Orkney system.

All members of Orkney NHS Board share collective responsibility for the overall performance of the NHS Orkney system.

3 Co-option / attendance of Non-Board Members at meetings of the Board

The Board shall extend invitations to the following non Board Members to

participate in specific agenda items relating to Orkney Health and Care (with no voting rights) in order to strengthen its governance arrangements with regard to joint working:

- Chief Officer

4 Corporate Governance

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

- Community focus;
- Health protection and improvement;
- Service delivery arrangements;
- Structures and processes;
- Risk management and internal control; and
- Standards of conduct.

Orkney NHS Board is responsible for:

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

The Senior Management Team is responsible for the operational delivery of services supporting health protection and improvement.

5 Conduct, accountability and openness

Members of Orkney NHS Board are required to comply with the Members' Code of Conduct and the Standards of Business Conduct for NHS staff.

Board Members and staff are expected to promote and support the principles in the Members' Code of Conduct and to promote by their personal conduct the values of:

- Public service
- Leadership
- Selflessness
- Integrity
- Objectivity
- Openness
- Accountability and stewardship
- Honesty

- Respect

6 Understanding our responsibilities arising from the Code of Corporate Governance

It is the duty of the Chair and the Chief Executive to ensure that Board Members and staff understand their responsibilities. Board Members and Managers shall receive copies of the Code of Corporate Governance and the Corporate Services Manager will maintain a list of managers to whom the Code of Corporate Governance has been issued. Managers are responsible for ensuring their staff understand their own responsibilities. The Code of Corporate Governance will also be published on the Board's website and intranet.

7 Endowment Fund

The principles of this Code of Corporate Governance apply equally to Members of Orkney NHS Board who have distinct legal responsibilities as Trustees of the Endowment Fund.

8 Advisory and other Committees

The principles of this Code of Corporate Governance apply equally to NHS Orkney's Advisory Committee and all Committees and groups which report directly to an Orkney NHS Board Committee.

9 Review

The Board will keep the Code of Corporate Governance under review and undertake a comprehensive review at least every two years. The Board may, on its own or if directed by the Scottish Ministers, vary and revoke Standing Orders for the regulation of the procedure and business of the Board and of any Committee. The Audit Committee is responsible for advising the Board on these matters.

10 Feedback

NHS Orkney wishes to improve continuously and reviews the Code of Corporate Governance regularly. To ensure that this Code remains relevant, we would be happy to hear from you with comments and suggestions on how we can improve the Code. These should be sent to:

Corporate Services Manager
NHS Orkney

01856 888910
orkney.corporateservices@nhs.net

The Balfour
Foreland Road
Kirkwall
KW15 1NZ

11 Definitions

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

Definition	Meaning
The Accountable Officer	Is the Chief Executive of NHS Orkney, who is responsible to the Scottish Parliament for the economical, efficient and effective use of resources. The Chief Executive of NHS Orkney is also accountable to the Board for clinical, staff and financial governance, including controls assurance and risk management. This is a legal appointment made by the Principal Accountable Officer of the Scottish Government. (Public Finance and Accountability (Scotland) Act 2000 Memorandum to Accountable Officers for other Public Bodies)
The Act	The National Health Service (Scotland) Act 1978 as amended
The 1960 Act	The Public Bodies (Admission to Meetings) Act 1960 as amended
The 2001 Regulations	The Health Board's (Membership and Procedure) (Scotland) Regulations 2001 as amended
Board Executive Member	Or 'Executive' means the Chief Executive, the Director of Finance, the Director of Nursing, Midwifery and Allied Health Professions, the Director of Public Health and the Medical Director. All other Members are Non-Executive Members.
Budget	Money proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Board.
Chair	The person appointed by the Scottish Ministers to lead the Board and to ensure that it successfully discharges its overall responsibility for the Board as a whole. The expression "the Chair of the Board" is deemed to include the Vice-chair of the Board if the Chair is absent from the meeting or is otherwise unavailable. The Chair of a Committee is responsible for fulfilling the duties of a Chair in relation to that Committee only.

Definition	Meaning
Chief Executive	The Chief Officer of Orkney NHS Board
Committee	A committee established by the Board, and includes 'sub-committee'.
Committee Members	Are people formally appointed or co-opted by the Board to sit on or to chair specific committees. All references to members of a committee are as 'committee member' and when the reference is to a member of the Board it is 'Board Member'.
Contract	Includes any arrangement including an NHS contract.
Co-opted Member	Is an individual, not being a Member of the Board, who is invited to attend Board meetings or appointed to serve on a committee of the Board.
Director of Finance	The Chief Finance Officer of the Board.
Meeting	A meeting of the Board or of any committee
Member	A person appointed as a Member of the Board by Scottish Ministers, and who is not disqualified from membership. This definition includes the Chair and other Executive and Non-Executive Members. (Health Boards Membership and Procedure (Scotland) Regulations 2001)
Motion	Proposal
Nominated Officer	An officer charged with the responsibility for discharging specific tasks within the Code of Corporate Governance
Non-Executive Member	Any Member appointed to the Board in terms of the Health Boards (Membership and Procedure) Amendment Regulations 2016 and who is not listed under the definition of Executive Member above
Officer	An employee of NHS Orkney
SFIs	Standing Financial Instructions
SOs	Standing Orders
The Code	Code of Corporate Governance

Definition	Meaning
Vice Chair	The Non-Executive Member appointed by the Board to take on the Chair's duties if the Chair is absent for any reason
Working day	Any day between Monday and Friday inclusive but not including public holidays
	<i>All references to the masculine gender shall be read as equally applicable to the female gender.</i>

SECTION

A

How business is organised

This section explains how
the business of Orkney
NHS Board and its
Committees is organised

1. The Board and its Committees – Diagram

2. How Board and Committee meetings must be organised

- | | |
|--|---|
| 1. Calling and notice of meetings | 17. Conflict of interest |
| 2. Appointment of Chair of Orkney NHS Board | 18. Reception of deputations |
| 3. Appointment of Vice-Chair of Orkney NHS Board | 19. Receipt of petitions |
| 4. Duties of Chair and Vice-Chair | 20. Submission of reports to the Board |
| 5. Quorum | 21. Right to attend meetings and / or place items on agenda |
| 6. Human Rights | 22. Alteration or revocation of previous decision |
| 7. Order of business | 23. Suspension of standing orders |
| 8. Order of debate | 24. Admission of public and press |
| 9. Motions and amendments | 25. Members' Code of Conduct |
| 10. Notice of motions | 26. Suspension of members from meetings |
| 11. Questions | 27. Minutes, agendas and papers |
| 12. Time allowed for speaking during formal debate | 28. Guidance to exemptions under the Freedom of Information (Scotland) Act 2002 |
| 13. Closure of debate | 29. Records management |
| 14. Voting | |
| 15. Voting in the case of vacancies and appointments | |
| 16. Adjournment and duration of meetings | |

3. Committees

- | | |
|---|-------------------------------|
| 1. Establishing Committees | d) Remuneration Committee |
| 2. Membership | e) Staff Governance Committee |
| 3. Functioning | |
| 4. Minutes | |
| 5. Frequency | |
| 6. Delegation | |
| 7. Committees | |
| 8. Purpose and remits | |
| a) Audit Committee | |
| b) Clinical and Care Governance Committee | |
| c) Finance and Performance Committee | |

2 How Board and Committee meetings must be organised

This section regulates how the meetings and proceedings of the Board and its Committees will be conducted and are referred to as 'Standing Orders'. The Health Boards (Membership and Procedure) (Scotland) Regulations 2005 confirms the matters to be included in the Standing Orders. The following is NHS Orkney's practical application of these Regulations.

1 Calling and Notice of Meetings

- 1.1 The Chair may call a meeting of the Board at any time and the Chair of a Committee may call a meeting of that Committee at any time or when required to do so by the Board.
- 1.2 Ordinary meetings of the Board or Committees shall be held in accordance with the timetable approved by the Board. Meetings of the Board will normally be held every two months. In any event, Board meetings shall be held at least once every three months.
- 1.3 Meetings of the Board and its Committees may be conducted in any way in which each member is enabled to participate such as video conferencing or teleconferencing.
- 1.4 A meeting of the Board may be called if one third of the Members make the request in writing. If the Chair does not call a meeting within seven days of the request, the Members who signed the request may call the meeting provided that only the requested business is transacted.
- 1.5 Before each meeting (Board and Committees) the notice (agenda and papers) specifying the time, place and business to be transacted, shall be accessible to every Member by electronic means, at least seven clear days before the date of the meeting other than in exceptional circumstances when it must be accessible three clear days before the meeting.
- 1.6 Notification of the time and place of Board meetings shall be placed on [NHS Orkney's website](#), intranet, Facebook and Twitter social media and announced on Radio Orkney's 'What's on'.
- 1.7 Lack of service of the notice on any Member shall not affect the validity of a meeting.
- 1.8 Special meetings of Committees shall be held on the dates and times that

the Chairs of those Committees determine.

- 1.10 It is within the discretion of the Chair of any Committee to cancel, advance or postpone an ordinary meeting if there is a good reason for doing so.
- 1.11 Four or more members of any Committee may, by notice in writing, request a special meeting to be called to consider the business specified in the notice. Such a meeting shall be held within fourteen days of receipt of the notice by the Corporate Services Manager or Lead Officer.
- 1.12 In the case of the Audit Committee a special meeting may be called by the Audit Committee Chair, the Chief Executive and the Director of Finance.

2 Appointment of Chair of Orkney NHS Board

- 2.1 The Chair is appointed by the Cabinet Secretary for Health and Sport. The regulations governing the period of terms of office and the termination or suspension of office of the Chair are contained in the National Health Services (Scotland) Act 1978.

3 Appointment of Vice-Chair of Orkney NHS Board

- 3.1 To enable the business of the Board to be conducted in the absence of the Chair, a Non-Executive Member, who is not an NHS employee or an independent Primary Care Contractor (for example Employee Director or Chair of Area Clinical Forum) shall be nominated Vice-Chair by the Non Executive members. The Vice-Chair will normally hold office for two years, provided that the individual's membership of the Board continues throughout that period. The retiring Vice-Chair will be eligible for re-election as long as the individual remains a Non-Executive Member of the Board.
- 3.2 The Chair will provide the Cabinet Secretary with evidence to support the appointment. In accordance with the requirements of the 2013 Code of Practice for Ministerial Appointments to the Board, The Cabinet Secretary will consider whether the individual nominated is suitable for the role, confirm the appointment, and issue a communication publicising that the individual is fulfilling the role of Vice-Chair.
- 3.3 The Vice-Chair may resign from office at any time by giving notice in writing to the Chair.
- 3.4 Where the Chair of the Board has ceased to hold office or has been unable to perform their duties as Chair, owing to illness, absence or any other cause, the Vice-Chair shall take the place of the Chair in the conduct of the business of the Board and references to the Chair shall be taken to include reference to the Vice-Chair.

4 Duties of the Chair and Vice-Chair

- 4.1 At every meeting of the Board the Chair shall preside. If the Chair is absent the Vice-Chair shall preside. If the Chair and Vice-Chair are both absent, the Members present shall elect a Non-Executive Member to act as Chair for that meeting. This cannot be an NHS Orkney employee.
- 4.2 If both the Chair and Vice-Chair (if any) of a Committee are absent from a meeting a member of the Committee chosen at the meeting by the other members shall act as Chair for that meeting.
- 4.3 It shall be the duty of the Chair:
- To ensure that Standing Orders are observed and to facilitate a culture of transparency, consensus and compromise.
 - To preserve order and ensure that any member wishing to speak is given due opportunity to do so and a fair hearing.
 - To call members to speak according to the order in which they caught their eye.
 - To decide all matters of order, competence and relevance.
- 4.4 The Chief Executive or Corporate Services Manager shall draw the attention of the Chair to any apparent breach of the terms of these Standing Orders.
- 4.5 The decision of the Chair on all matters referred to in this Standing Order shall be final and shall not be open to question or discussion in any meeting of the Board.
- 4.6 Deference shall at all times be paid to the authority of the Chair. When the Chair commences speaking, they shall be heard without interruption.

5 Membership

5.1 Non Executive Membership

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

Audit	Four
Finance and Performance	Four
Clinical and Care Governance	Four
Remuneration	Four
Staff Governance	Four

6 Quorum

6.1 The quorum for Board meetings is one third of the whole number of Members, of which at least two are Non-Executive Members, all present and entitled to vote. No business shall be transacted at a meeting of the Board unless this is met.

6.2 The quorum for Committees shall be as follows:-

One third of whole number of members including:

Quorum

Audit Committee	Three non-executive members, one of whom must be chair or vice-chair
Finance and Performance Committee	Three members including two non-executive members, one of whom must be chair or vice-chair, and one executive member
Clinical and Care Governance Committee	Five members including three non-executive members, one of whom must be chair or vice-chair, one Orkney Islands Council Elected Member who is a member of the Integration Joint Board and/or the Orkney Health and Care Committee, and one executive member of NHS Orkney
Staff Governance Committee	Four members including two non-executive members, one of whom must be chair or vice-chair, one executive member and one lay representative from Union or Professional body
Remuneration Committee	Two non-executive members, one of whom must be chair or vice-chair

- 6.3 If a quorum is not present ten minutes after the time specified for the start of a meeting of the Board or Committees the Chair will seek agreement to adjourn the meeting or reschedule.
- 6.4 If during any meeting of the Board or of its Committees a Member or Members are called away and the Chair finds that the meeting is no longer quorate, the meeting shall be suspended. If a quorum is not present at the end of ten minutes, the Chair will seek agreement to adjourn the meeting or reschedule.

7 Human Rights

- 7.1 If the Business before the Board or its Committees involves the determination of a person's individual civil rights and obligations, no members shall participate in the taking of a decision on an item of business unless they have been present during consideration of the whole item, including where the item of business was discussed at a previous meeting. (Article 6 of the European Convention of Human Rights)

8 Order of Business

- 8.1 For ordinary meeting of the Board, the business shown on the agenda shall (unless otherwise agreed by the Board at the meeting) proceed in the following order: -
- Apologies for Absence;
 - Declarations of Interest;
 - Minutes of the previous meeting for approval;
 - Matters arising;
 - Action Log;
 - Strategy;
 - Clinical Quality and Safety;
 - Workforce;
 - Organisational Performance;
 - Risk and Assurance;
 - all above including Committee Chairs' Reports and Minutes of Committee meetings;
 - Any Other Competent Business (items of which due notice has been given)
 - Items for Information (including dates of future meetings)
- 8.2 No item of business shall be transacted at a meeting unless either:

- It is included on the agenda which has been published in advance; or
- It has been determined by the Chair to be a matter of urgency by reason of special circumstances.

9 Order of Debate

9.1 'Informal Committee Rules'

- 9.1.1 The Board or any Committee **will routinely conduct its business under 'Informal Committee Rules'** on the understanding that any one Board or Committee member may at any time without giving due reason request that the Board or Committee move to the formal order of debate of motions as set out below (Formal Order of Debate 9.2).
- 9.1.2 All speakers will address the Chair and observe order. The Chair will have discretion to conduct the meeting, that is, limit the number of contributions any speaker makes, the amount of time for which they speak or to ask a speaker to sum up his / her contribution. At the conclusion of the discussions the Chair will summarise the decisions of the Board or Committee. Orderly debate in the public domain is essential to project a professional approach to business.
- 9.1.3 If any point arises which is not provided for in the Board's Standing Orders, the Chair shall give a ruling on the point and his / her decision will be final.
- 9.1.4 The Chair will seek to establish a consensus. If a consensus is not emerging, the Chair will follow the procedure set out in Section 14 – Voting.
- 9.1.5 The Chair will have a casting vote in the event of an equality of votes.

9.2 'Formal Committee Rules'

- 9.2.1 Any Board or Committee Member wishing to speak shall indicate this by raised hand and, when called upon, shall address the Chair and restrict their remarks to the matter being discussed by:
- Moving, seconding or leading a motion or amendment;
 - Moving or seconding a procedural motion;
 - Asking a question;
 - Making a point of clarification; or
 - Raising a point of order.
- 9.2.2 There shall be no discussion on any motion or amendment except by the

mover until such motion or amendment is seconded.

- 9.2.3 No Member shall speak more than once in a debate on any one motion and amendment unless raising a point of order, making a clarification, moving or seconding a procedural motion. However, the mover of the substantive motion (or an amendment which has become the substantive motion) in any debate shall have a right of reply, but shall not introduce any new matter.
- 9.2.4 After the mover of the substantive motion has commenced their reply, no Member shall speak except when raising a point of order or moving or seconding a procedural motion.
- 9.2.5 Any Member wishing to raise a point of order may do so by stating that they are raising a point of order immediately after it has arisen. Any Member then speaking will cease and the Chair shall call upon the Member raising the point or order to state its substance. No other Member shall be entitled to speak to the point or order except with the consent of the Chair. The Chair shall give a ruling on the point of order, either immediately, or after such adjournment as they consider necessary. After this the Member who was previously speaking shall resume their speech, provided the ruling permits.
- 9.2.6 Any Member wishing to ask a question relating to the matter under consideration may do so at any time before the formal debate begins.

10 Motions and amendments

A motion is a proposal.

- 10.1 When called to speak, the mover of any motion or amendment shall immediately state the exact terms of the motion or amendment before proceeding to speak in support of it. The mover shall also provide the terms in writing at the request of the Chair to the Corporate Services Manager before any vote is taken, except in the case of: -
- Motions or amendments to approve or disapprove without further qualification;
 - Motions or amendments to remit for further consideration; or
 - Motions or amendments, the terms of which have been fully set out in a minute of a Committee or report by an Executive Member or other officer.
- 10.2 Every amendment must be relevant to the motion to which it is moved. The Chair shall decide as to the relevancy and shall have the power, with the consent of the meeting, to conjoin motions or amendments which are

consistent with each other.

- 10.3 All additions to, omissions from, or variations upon a motion shall be considered amendments to the motion and shall be disposed of accordingly.
- 10.4 A motion or amendment once moved and seconded shall not be withdrawn without the consent of the mover and seconder.
- 10.5 Where an amendment to a motion has been moved and seconded, no further amendment may be moved until the result of the vote arising from the first amendment has been announced.
- 10.6 If an amendment is rejected, a further amendment to the original motion may be moved. If an amendment is carried, it shall take the place of the original motion and any further amendment shall be moved against it.
- 10.7 A motion for the approval of a minute or a report of a Committee shall be considered as an original motion and any proposal involving alterations to or rejection of such minute shall be dealt with as an amendment.
- 10.8 The Chair of a Committee shall have the prior right to move the approval of the Minute of that Committee.
- 10.9 A motion or amendment moved but not seconded, or which has been ruled by the Chair to be incompetent, shall not be put to the meeting nor shall it be recorded in the minute, unless the mover immediately gives notice to the Corporate Services Manager or Committee Lead Officer requesting that it be so recorded.
- 10.10 A Member may request their dissent to be recorded in the minute in respect of a decision which they disagree and on which no vote has taken place.

11 Notice of motions to be placed on an Agenda

- 11.1 Notice of motions must be given in writing to the Corporate Services Manager no later than noon fourteen days before the meeting and must be signed by the proposing member and at least one other member.
- 11.2 A member may propose a motion which does not directly relate to an item of business under consideration at the meeting.
- 11.3 The terms of motions of which notice have been given shall appear as items of business for consideration at the next meeting.
- 11.4 If a member who has given notice of a motion is absent from the meeting

when the motion is considered or, if present, fails to move it, any other member shall be entitled to move it, failing which the motion shall fall.

12. Questions

- 12.1 A Board or Committee Member may put a question to the Chair relating to the functions of that Committee, irrespective of whether the subject matter of the question relates to the business which would otherwise fall to be discussed at that meeting, provided that notice has been given to the Corporate Services Manager ten working days prior to the meeting.
- 12.2 The original questioner may ask a supplementary question, limited to seeking clarity on any answer given.
- 12.3 Questions of which notice has been given in terms of 10.1 above, and the answers thereto, shall be recorded in the minute of the meeting only if the questioner so requests, but any supplementary questions and answers shall not be recorded.

13 Time allowed for speaking during formal debate

- 13.1 The Chair is entitled to decide the time that members may be allowed to speak on any one issue.
- 13.2 As a guide, a member who is moving any motion or amendment shall not normally speak for more than five minutes. Other members shall not normally speak for more than three minutes, and the mover in exercising a right of reply shall not normally speak for more than three minutes.

14 Closure of debate

- 14.1 A motion that the debate be adjourned, or that a question be put, or that the meeting now pass to the next business may be made at any stage of the debate and such motion, if seconded, shall be the subject of a vote without further debate.
- 14.2 No motion in terms of 11.1 above may be made during the course of a speech.

15. Voting

- 15.1 Every question coming or arising before the Board or its Committees shall be determined by a majority of the members present and voting. Majority agreement may be reached by a consensus without a formal vote but at

the request of a member a formal vote will be taken.

- 15.2 In the case of an equality of votes, the Chair shall have a second or a casting vote, except in any vote relating to the appointment of a Member of the Board to any office, Committee, or to represent the Board on any other body, where in the case of equality of votes, the matter shall be determined by lot.
- 15.3 Where a formal vote is taken, this shall be done by a show of hands except:
- Where the members present agree unanimously that it be taken by a roll call;
 - Where the members present resolve by simple majority that it be taken by secret ballot.
- 15.4 Immediately before any vote is taken, the question on which the vote is to be held shall be read out. Thereafter, no-one shall interrupt the proceedings until the result of the vote has been announced.

16 Voting in the case of vacancies and appointments

- 16.1 In filling vacancies in the membership of any Committee and making appointments of Board Members to any other body, where more than one candidate has been nominated and seconded, members shall be entitled to vote for up to as many candidates as there are places to be filled. Candidates shall be appointed in the order of number of votes received until all vacant places have been filled.
- 16.2 In the event of two or more candidates tying with the lowest number of votes to fill the last vacant place, a further vote shall be taken between or among those candidates. Each member shall have one vote.
- 16.3 In the event of a further tie, the appointment shall be determined by lot.

17 Adjournment and duration of meetings

- 17.1 During any meeting of the Board, any Member may move that the meeting be adjourned, at any time, except in the course of a speech by another member. No motion for adjournment may be made within thirty minutes of a motion for adjournment having previously been rejected if the Board is still considering the same item of business.
- 17.2 A motion for adjournment has precedence over all other motions and if moved and seconded, shall be put to the meeting without discussion or amendment.

- 17.3 If carried, the meeting shall be adjourned until the time and place specified in the motion. Unless the time and place are specified, the adjournment shall be until the next ordinary meeting of the Board or Committee.
- 17.4 Where a meeting is adjourned without a time for its resumption having been fixed, it shall be resumed at a time fixed by the Chair.
- 17.5 When an adjourned meeting is resumed, the proceedings shall be commenced at the point at which they were interrupted by the adjournment.
- 17.6 In case of disorder the Chair may adjourn the meeting to a time fixed then or decided afterwards. Vacating the Chair shall indicate that the meeting is adjourned.
- 17.7 Every meeting of the Board or its Committees shall last no longer than four hours.
- 17.8 It shall, however, be competent, before the expiry of the time limit, for any Member to move that the meeting be continued for such further period as is deemed appropriate.

18 Conflict of Interest

- 18.1 If a Board or Committee Member, or associate of theirs has any interest, direct or indirect, in any contract or proposed contract or other matter, they shall disclose the fact, and shall not take part in the consideration and discussion of the contract, proposed contract, or other matter or vote on any question with respect to it.
- 18.2 The Scottish Ministers may, subject to such conditions as they may think fit to impose, remove any disability imposed by the 2001 Regulations in any case in which it appears to them in the interests of the health service that the disability should be removed.
- 18.3 Remuneration, compensation or allowances payable to a Chair or other member shall not be treated as an interest by the 2001 Regulations. (Paragraphs 4, 5 or 14 of Schedule 1 of the Act).
- 18.4 A member or associate of theirs shall not be treated as having an interest in any contract, proposed contract or other matter if the interest is so remote or insignificant that they cannot reasonably be regarded as likely to effect any influence in the consideration or discussion of or in voting on, any question with respect to that contract or matter.
- 18.5 The 2001 Regulations apply to a Committee as they apply to the Board

and apply to any member of any such Committee (whether or not they are also a Member of the Board) as they apply to a Member of the Board.

- 18.6 For the purposes of the 2001 Regulations, the word 'associate' has the meaning given by Section 74 of the Bankruptcy (Scotland) Act 1985 (a).
- 18.7 You must consider whether you have an interest to declare in relation to any matter which is to be considered as soon as possible. You should consider whether agendas for meetings raise any issue of interest. Your declarations should be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.
- 18.8 The oral declaration of interest should identify the item of business to which it relates. The declaration should begin with the words "I declare an interest". The declaration must be sufficiently informative to enable those at the meeting to understand the nature of the interest but need not give a detailed description of the interest.

19 Reception of deputations

- 19.1 Every application for the reception of a deputation must be in writing, duly signed and delivered, faxed or e-mailed to the Corporate Services Manager or Committee Support Officer at least three clear working days prior to the date of the meeting at which the deputation wished to be received. The application must state the subject and the action which it proposes the Board or Committee should take.
- 19.2 The deputation shall consist of not more than ten people.
- 19.3 No more than two members of any deputation shall be permitted to address the meeting, and they may speak in total for no more than ten minutes.
- 19.4 Any member may put any relevant question to the deputation, but shall not express any opinion on the subject matter until the deputation has withdrawn. If the subject matter relates to an item of business on the agenda, no debate or decision shall take place until the relevant minute or other item is considered in the order of business.

20 Receipt of petitions

- 20.1 Every petition shall be delivered to the Corporate Services Manager or Committee Lead Officer at least three clear working days before the meeting at which the subject matter may be considered. The Chair will be

advised and will decide whether the contents of the petition should be discussed at the meeting or not.

21 Submission of reports

- 21.1 Reports shall be submitted by the Executive Members or other Senior Officers when requested or when, in the professional opinion of such an officer, a report is required to enable compliance with any statute, regulation or Ministerial Direction, or other rule of law, or where the demands of the service under their control require.
- 21.2 Any report to be submitted shall be provided to the Corporate Services Manager, Committee Lead Officer or the Committee Support Officer in the standard format no later than the deadline set out within the agreed timetable for the Board and Committee meetings (fourteen days prior to the meeting). The Director of Finance should be consulted on all proposals with significant financial implications. No paper with significant financial implications should be presented at a meeting when this has not been done. Any observations by those officers on matters within their professional remit shall be incorporated into the report.
- 21.3 Only those reports which require a decision to be taken by the Board or Committee to discharge its business or exercise its monitoring role, will normally be included on the agenda. It shall be delegated to the Corporate Services Manager or Committee Lead Officer in conjunction with the Chair of the Committee to make the final determination on whether or not an item of business should be included on an Agenda.
- 21.4 All reports requiring decisions will be submitted in writing. Verbal reports will only be accepted in exceptional circumstances, and with the prior approval of the Chair of the Board or Committee.

22 Right to attend meetings and / or place items on an agenda

- 22.1 Any Board or Committee Member shall be entitled to attend any meeting of any Committee, and shall, with the consent of the Committee, be entitled to speak but not to propose or second any motion or to vote. Executive Members cannot attend the Remuneration Committee, when matters pertaining to their terms and conditions of service are being discussed and the Audit Committee when deemed necessary by the Chair of that Committee.
- 22.2 A Board Member, who is not a member of a particular Committee and wishes that Committee to consider an item of business which is within its remit, shall inform in writing the Lead Officer not later than the deadline set out within the agreed timetable for the Committee prior to the meeting of

the issue to be discussed. The Lead Officer shall arrange for it to be placed on the agenda of the Committee. The Member shall be entitled to attend the meeting and speak in relation to the item, but shall not be entitled to propose or second any motion or to vote.

22.3 Board or Committee Members who wish to raise any item of business which is within its remit shall inform in writing the Committee Lead Officer not later than the deadline set out within the agreed timetable for that Committee prior to the meeting the issue to be discussed. The Committee Lead Officer shall arrange for it to be placed on the agenda of the Committee.

22.4 The Chief Internal Auditor and External Auditor have a right of attendance at all Committees. The Chief Internal Auditor and External Auditor shall have the right of direct access to the Chairs of the Board and all Committees.

22.5 The Patient Reference Group shall be invited to send a maximum of two representatives to attend Board and Committee meetings held in public except 'In Committee' and Remuneration Committee.

22.6 Those in attendance at public sessions of Board meetings including co-opted members, will not routinely attend sessions held in private. Those in attendance of private sessions will normally be:

- The Corporate Services Manager or any member of the Corporate Services Team who has been assigned to take a formal minute of the proceedings;
- Named officers who have been closely involved in any items under consideration, where agreed by the Board Chairperson and Chief Executive.

23 Alteration of revocation of previous decision

23.1 Subject to 23.2 below, a decision shall not be altered or revoked within a period of six months from the date of such decision being taken.

23.2 Where the Chair rules that a material change of circumstances has occurred to such extent that it is appropriate for the issue to be reconsidered, a decision may be altered or revoked within six months by a subsequent decision arising from:

- A recommendation to that effect, by an Executive Member or other officer in a formal report; or
- A motion to that effect of which prior notice has been given in terms of 9.1.

- 23.3 This does not apply to the progression of an issue on which a decision is required.

24 Suspension of Standing Orders

- 24.1 So far as it is consistent with any statutory provisions, any one or more of the Standing Orders may be suspended at any meeting, but only as regards the business at such meeting, provided that two-thirds of the members present and voting so decide.

25 Admission of public and press

- 25.1 Members of the public and representatives of the press will be admitted to every meeting of the Board but will not be permitted to take part in discussion. (Public Bodies (Admission to Meetings) Act 1960)
- 25.2 The Board may exclude the public and press while considering any matter that is confidential. Exemptions included under: Freedom of Information (Scotland) Act 2002 (the Act) and Environmental Information (Scotland) Regulations 2004 (the Regulations)

A summary of the exemptions specified in the Act is contained at the end of this section at Paragraph 27, but should not be relied upon as a comprehensive application of the exemptions in restricting access to information.

For guidance on application of the Act and Regulations, please contact the Freedom of Information Officer (ork-hb.foirequests@nhs.net). More information can be found on NHS Orkney's website - <http://www.ohb.scot.nhs.uk/about-us/freedom-information>

- 25.3 The terms of any such resolution specifying the part of the proceedings to which it relates and the categories of exempt information involved shall be specified in the minutes.
- 25.4 Members of the public and representatives of the press admitted to meetings shall not be permitted to make use of photographic or recording apparatus of any kind unless agreed by the Board. (1960 Act)
- 25.5 Members of the public and press should leave when the meeting moves into reserved business (In Committee). It is at the discretion of the Chair of that meeting if NHS Orkney staff or co-opted members can remain.

26 Members' code of conduct

- 26.1 All those who are appointed or co-opted as members of the Board must comply with the Members' Code of Conduct as incorporated into the Code of Corporate Governance and approved by the Scottish Ministers. This also applies equally to all members of Committees whether they are employed by NHS Orkney or not when undertaking Committee business.
- 26.2 For the purposes of monitoring compliance with the Members' Code of Conduct, the Corporate Services Manager has been appointed as the designated monitoring officer.
- 26.3 Board and Committee Members having any doubts about the relevance of a particular interest should discuss the matter with the Corporate Services Manager.
- 26.4 Board and Committee Members should declare on appointment any material or relevant interest and such interests should be recorded in the Board and Committee minutes. Any changes should be declared and recorded when they occur. Interests will also be entered into a register that is available to the public, details of which will be disclosed in the Board's Annual Report. Arrangements for viewing the register shall also be publicised.

27 Suspension of members from meetings

- 27.1 If any Board or Committee Member disregards the authority of the Chairperson, obstructs the meeting or, in the opinion of the Chair, acts in an offensive manner at a meeting, the Chair may move that such Member be suspended for the remainder of the meeting. If seconded, such a motion shall be put to the vote immediately without discussion.
- 27.2 If such a motion is carried, the suspended Member shall leave the meeting room immediately. If the member fails to comply, the Chair may order the suspended member to be removed from the meeting.
- 27.3 A member who has been suspended in terms of this Standing Order shall not re-enter the meeting room except with the consent of the meeting.
- 27.4 In the event of a motion for suspension of a Member being defeated, the Chair may, if they think it appropriate to do so, adjourn the meeting as if a state of disorder had arisen.

28 Minutes, agendas and papers

- 28.1 The Corporate Services Manager is responsible for ensuring that minutes of the proceedings of a meeting of the Board or its Committees, including

any decision or resolution made at that meeting, shall be drawn up. The minutes shall be submitted to the next meeting of the Board, or relevant Committee, for approval by Members as a record of the meeting subject to any amendments proposed by Members and shall be signed by the person presiding at that meeting.

- 28.2 The names of Members present at a meeting of the Board or of a Committee of the Board shall be recorded in the Minute, together with the apologies for absence from any Member.
- 28.3 The Freedom of Information (Scotland) Act 2002 gives the public a general right of access to all recorded information held. Therefore, when minutes of meetings are created, it should be assumed that what is recorded will be made available to the public.
- 28.4 The Minute of a meeting being held where authority or approval is being given by the committee and the Minutes are intended to act as a record of the business of the meeting, then the Minute should contain:
- A summary of the Committee's discussions;
 - A clear and unambiguous statement of all decisions taken;
 - If no decision is taken, a clear and unambiguous statement of where the matter is being referred or why the decision has been deferred;
 - Where options are presented, a summary of why options were either accepted or rejected;
 - Reference to any supporting documents relied upon;
 - Any other relevant points which influenced the decision or recommendation; and
 - Any recommendations which require approval by a higher authority.
- 28.5 The contents of a Minute will depend upon the purpose of the meeting.
- If the meeting agrees actions they will be recorded in an action log:
- A description of the task, including any phases and reporting requirements;
 - The person accepting responsibility to undertake the task; and
 - The time limits associated with the task, its phases and agreed reporting.
- 28.6 The business for inclusion on the Agenda will, when necessary, be divided into two sections: Open Business, where there would be no issue about the release of information and 'In Committee', where access is restricted to Board or Committee members and where information would not be routinely released.

29 Guide to Exemptions Under the Freedom of Information (Scotland) Act 2002

29.1 All the exceptions operate in different ways, and when applying the individual exemptions, we may need to consider the following factors:

- The content of the information;
- The effect that disclosure would have;
- The source of the information; and
- The purpose for which the information was recorded.

The Act also recognises that the disclosure of certain categories of information may, at the particular time of the request, be harmful to the wider public interest, for example:

- Where disclosure might be harmful to an important public interest, such as national security or international relations;
- Where disclosure is prohibited by statute;
- Where responding to the request might involve providing personal information; or
- Where disclosure might breach a duty of confidentiality.

Because the Act strikes a balance between different and important issues, a decision to withhold or release information will require careful consideration. Access to information legislation is about providing the framework within which decisions can be made on where the balance of public interest lies on the release or withholding of information on a case by case basis. The Act contains a number of exemptions to the general right of access. The exemptions ensure that decisions to release or withhold information are taken with the interest of the public as a whole firmly to the fore.

There are two types of exemptions under the Freedom of Information (Scotland) Act 2002:-

Absolute Exemptions:

If an absolute exemption applied, there is no obligation under the Act to consider the request for information further

Qualified Exemptions:

Are subject to the public interest test. Qualified exemptions do not justify withholding information unless, following a proper assessment, the balance of the public interest comes down against disclosure.

For further guidance contact the Freedom of Information Officer ([ork-](#)

hb.foirequests@nhs.net)

<http://www.ohb.scot.nhs.uk/about-us/freedom-information>

30 Records Management

Under the Freedom of Information (Scotland) Act 2002, NHS Orkney must have comprehensive records management systems and process in place.

Separate guidance has been produced for records management. This can be found on NHS Orkney's intranet.

- Information Governance Strategy
- Information Governance Policy
- Records Management Policy

This gives clear guidance on time limits for the retention of records and documents.

3 Committees

1 Establishing Committees

- 1.1 The Board shall create such Committees as are required by statute, guidance, regulation and Ministerial direction and as are necessary for the economical efficient and effective governance of its business.
- 1.2 The Board shall delegate to such Committees those matters it considers appropriate. The matters delegated shall be set out in the Purpose and Remit of those Committees detailed in Paragraph 8, Purpose and Remits.
- 1.3 The Board may by resolution of a simple majority of the whole number of Members of the Board, present and voting, vary the number, constitution and functions of Committees at any meeting of which due notice has been given specifying the proposed variation.

2 Membership

- 2.1 The Board shall appoint the membership of Committees. By virtue of their appointment the Chair of the Board is an ex officio member of all Committees except the Audit Committee.
- 2.2 Any Committee shall include at least one Non-Executive Member of the Board, and may include persons, who are co-opted, and may consist wholly or partly of Members of the Board.
- 2.3 In determining the membership of Committees, the Board shall have due regard to its purpose, role and remit, and accountability requirements. Certain members may not be appointed to serve on a particular Committee as a consequence of their positions. Specific exclusions are:
 - Audit Committee – Chair of the Board together with any Executive Member or Officer.
 - Remuneration Committee – any Executive Member or Officer.
- 2.4 The Board has the power to vary the membership of Committees at any time, provided that:
 - In any case this is not contrary to statute, regulation or Direction by Scottish Ministers.
 - Each Member of the Board is afforded proper opportunity to serve on Committees.

- 2.5 The Board shall appoint Chairs and Vice-Chairs of Committees who shall hold office for two years. In the case of Members of the Board, this shall be dependent upon their continuing membership of the Board.
- 2.6 The persons appointed as Chairs of Committees shall usually be Non-Executive Members of the Board and only in exceptional circumstances shall the Board appoint a Chair of a Committee who is not a Non-Executive Member for example a co-opted member. Such circumstances are to be recorded in the Minutes of the Board meeting making the appointment.
- 2.7 As a consequence of the personal development appraisal and review process, the Chairman will decide with the relevant Non Executive Members which of the Committees they will serve on as member of as Chair or Vice Chair.
- 2.8 Casual vacancies occurring in any Committee shall be filled as soon as may be by the Board after the vacancy takes place.

3 Functioning

- 3.1 An Executive Member or another specified Lead Officer shall be appointed to support the functioning of each Committee.
- 3.2 Committees may seek the approval of the Board to appoint Sub-Committees for such purposes as may be necessary.
- 3.3 Where the functions of the Board are being carried out by Committees, the membership, including those co-opted members who are not members of the Board, is deemed to be acting on behalf of the Board.
- 3.4 During intervals between meetings of the Board or its Committees, the Chair of the Board or a Committee or in their absence, the Vice-Chair shall, in conjunction with the Chief Executive and the Lead Officer concerned, have powers to deal with matters of urgency which fall within the terms of reference of the Committee and require a decision which would normally be taken by the Committee. All decisions so taken should be reported to the next full meeting of the relevant Committee. It shall be for the Chair of the Committee, in consultation with the Chief Executive and Lead Officer concerned, to determine whether a matter is urgent in terms of this Standing Order.

4 Minutes

- 4.1 The approved minute of each Committee of the Board shall be submitted as soon as is practicable to an ordinary meeting of the Board for

information, and for the consideration of any recommendations having been made by the Committee concerned.

- 4.2 The Minute of each Committee shall also be submitted to the next meeting for approval as a correct record and signature by the Chair.
- 4.3 Minutes of the proceedings at a meeting of a Special Committee shall be made but these proceedings may be reported to the Board or to any Committee of the Board either by the Minutes or in a report from the Special Committee as may be considered appropriate.

5 Frequency

- 5.1 The Committees of the Board shall meet no fewer than four times a year.

6 Delegation

- 6.1 Each Committee shall have delegated authority to determine any matter within its purpose and remit, with the exception of any specific restrictions contained in Section E, paragraph items 1.2.1 to items 1.2.20.
- 6.2 Committees shall conduct their business within their purpose and remit, and in exercising their authority, shall do so in accordance with the following provisions. However, in relation to any matter either not specifically referred to in the purpose and remit, or in this Standing Order, it shall be competent for the Committee, whose remit the matter most closely resembles, to consider such matter and to make any appropriate recommendations to the Board.
- 6.3 Committees must conduct all business in accordance with NHS Orkney policies and the Code of Corporate Governance.
- 6.4 The Board may deal with any matter falling within the purpose and remit of any Committee without the requirement of receiving a report or Minute of that Committee referring to that matter.
- 6.5 The Board may at any time vary, add to, restrict or recall any reference or delegation to any Committee. Specific direction by the Board in relation to the remit of a Committee shall take precedence over the terms of any provision in the purpose and remit.
- 6.6 If a matter is of common or joint interest to a number of Committees, and is a delegated matter, no action shall be taken until all Committees have considered the matter.
- 6.7 In the event of a disagreement between Committees in respect of any

such proposal or recommendation which falls within the delegated authority of one Committee, the decision of that Committee shall prevail. If the matter is referred but not delegated to any Committee, a report summarising the views of the various Committees shall be prepared by the appropriate officer and shall appear as an item of business on the agenda of the next convenient meeting of the Board.

7 Committees

- a) Audit Committee
- b) Clinical and Care Governance Committee
- c) Finance and Performance Committee
- d) Remuneration Committee
- e) Staff Governance Committee

8 Purpose and Remits

a) Audit Committee

1.1 Purpose:

Orkney NHS Board has established the Audit Committee as a Committee of the Board to support the Board in its responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

1.2 Composition:

The Audit Committee shall consist of four Non-Executive Members including the Employee Director but not the Chair of the Board.

The chair and vice-chair of the Committee will be appointed by the NHS Board.

Ordinarily, the Audit Committee Chair cannot chair any governance committee of the Board but can be a member of other governance committees.

Committee membership will be reviewed annually.

1.3 Attendance:

In addition the Chief Executive (as Accountable Officer) and the Director of Finance of NHS Orkney shall normally attend meetings of the Committee, together with other executive directors and senior staff as required. The External Auditor and the Chief Internal Auditor shall also receive a standing invitation to attend.

1.4 Quorum:

The Committee will be quorate when there are three members present, one of whom must be the chair or vice-chair.

It will be expected that another non-executive Board Member will deputise for a member of the Committee at any meeting when required.

1.5 Meetings:

Meetings shall be held in accordance with the provision of Standing Order Sections 2-3. The Audit Committee will meet at least four times per annum.

At least once a year, and when deemed necessary by the Chairperson, meetings of the Committee shall be convened and attended exclusively by members of the Committee and/or the External Auditor or Internal Auditor.

Extraordinary meetings may be called by:

- Audit Committee Chairperson;
- Chief Executive;
- Director of Finance.

The Audit Committee shall exclude all but Members from extraordinary meetings of the Committee if it so decides.

1.6 Remit:

The Audit Committee will advise the Board and Accountable Officer on:

- the strategic process for risk, control and governance and the Governance Statement
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, and management's letter of representation to the external auditors
- the planned activity and results of both internal and external audit
- the adequacy of management response to issues identified by audit activity, including external audit's management letter / report
- the effectiveness of the internal control environment and risk management arrangements
- assurances relating to the corporate governance requirements for the organisation
- proposals for tendering for internal audit services
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations
- assurances that structures are in place to undertake activities which underpin safe and effective information governance
- links to Integration Joint Board Audit Committee around jointly commissioned audits, annual planning etc.

The Audit Committee will also annually review its own effectiveness and report the results of that review to the Board.

1.7 Best Value:

The Committee is responsible for reviewing those aspects of delivering Best Value work plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. This assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

1.8 Authority:

The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee. All Members and employees are directed to co-operate with any request made by the Committee.

In order to fulfill its remit, the Audit Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to the Chair of the Audit Committee.

The Integration Joint Board will sign off its accounts after the NHS Orkney Board. The Audit Committee will require a statement from the Integration Joint Board on its governance and the preparedness of the Integration Joint Board accounts to allow NHS Orkney to prepare consolidated accounts.

1.9 Reporting Arrangements:

- The Audit Committee reports to Orkney NHS Board
- Following a meeting of the Audit Committee the Chair will present at the next Orkney NHS Board meeting an update from the meeting and any approved minutes
- The Audit Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Audit Committee
- The Audit Committee will produce an annual report for presentation to Orkney NHS Board. The Annual Report will describe the outcomes from the committee during the year.

b) Clinical and Care Governance Committee

1.1 **Purpose:**

The Clinical and Care Governance Committee fulfils a number of purposes as follows:

It provides the Board of NHS Orkney with the assurance that robust clinical governance controls and management systems are in place and effective throughout NHS Orkney.

It fulfils the function of providing the Orkney Health and Care Integration Joint Board with assurance that robust clinical and care governance controls and management systems are in place and effective for the functions that NHS Orkney and Orkney Islands Council have delegated to it.

It provides the Orkney Health and Care Committee, a Committee of Orkney Islands Council, which has oversight of the operational delivery of the services that the Integration Joint Board commissions from Orkney Islands Council, with assurance that robust controls and management systems are in place and effective for social work and social care service delivery.

1.2 **Composition:**

Four Non Executive Members of NHS Orkney including Area Clinical Forum Chair

Four Orkney Islands Council Elected Members who are members of the Integration Joint Board and/or the Orkney Health and Care Committee

Medical Director (lead officer for clinical governance)

Director of Public Health

Chief Executive NHS Orkney

Chief Officer Integration Joint Board (lead officer for care governance)

Director of Nursing, Midwifery and Allied Health Professions

Director of Pharmacy

Chief Social Work Officer

Public Representative

In Attendance:

Head of Transformational Change and Improvement

1.3 **Quorum:**

Meetings of the Committee will be quorate when at least five members are present and at least three of whom should be non executive members, one

of whom must be the chair or vice-chair, one Orkney Islands Council Elected Member who is a member of the Integration Joint Board and/or the Orkney Health and Care Committee, and one executive member of NHS Orkney.

Any non-executive NHS Board member may deputise for a member of the Committee at any meeting.

1.4 Meetings:

The Committee will meet at least quarterly.

1.5 Remit:

Person Centred:

To provide assurance regarding participation, patient and service users' rights and feedback:

- to provide assurance that there are effective systems and processes in place across NHS Orkney and in the functions delegated to the Orkney Health & Care Joint Board to support participation with patients and communities, to comply with participation standards and the Patient Rights (Scotland) Act 2011 generally and specifically within the context of service redesign;
- to monitor complaints response performance on behalf of the Board of NHS Orkney and the Board of Orkney Health and Care for functions delegated, and promote positive complaints handling including learning from complaints and feedback;
- To provide assurance that there are effective system and governance processes for:
 - Equality and Diversity
 - Spiritual care
 - Volunteering
- To monitor performance of all services commissioned by / or with direct links to NHS Orkney and the Board of Orkney Health and Care
 - Patient Advisory and Support Service
 - Advocacy Services
 - Carers
 - Veterans

Safe (Clinical Governance and Risk Management)

To provide assurance in respect of clinical and care governance and risk management arrangements by seeking assurance that there are adequate systems and processes in place to ensure that:

- Robust clinical and care control frameworks are in place for the effective management of clinical and care governance and risk management and that they are working effectively across the whole of NHS Orkney and the functions delegated to the Board of Orkney Health and Care;
- Incident management and reporting is in place and lessons are learned from adverse events and near misses;
- Complaints are handled in accordance with national guidance and lessons are learned from their investigation and resolution including reports of the Social Work Complaints Review Committee, the Scottish Public Services Ombudsman and Mental Welfare Commission;
- Clinical and care standards and patient and service user safety are maintained and improved within the Board of NHS Orkney's annual efficiency programme and any other efficiency programmes of the Board of Orkney Health and Care.

Effective (Clinical and Care Performance and Public Health Performance and Evaluation):

To provide assurance that clinical and care effectiveness and quality improvement arrangements are in place.

- To ensure that recommendations from any inspections have appropriate action plans developed and are monitored and reported through an appropriate Committee;
- Where performance improvement is necessary within NHS Orkney or the functions delegated to the Board of Orkney Health and Care, the Committee will seek assurance regarding the reliability of the improvement intervention;
- Clinical dashboards and other data and measurement systems underpin the delivery of care;
- To ensure that the healthcare provided is informed by evidence based clinical practice guidelines;
- To ensure that staff governance issues which impact on service delivery and quality of services are appropriately managed through clinical and care governance mechanisms and effective training and development is in place for all staff.

Population Health:

To provide assurance that all necessary systems and processes are in place that ensure staff engaging in population health-related activities incorporate the key components of population health governance, namely:

- Quality and clinical effectiveness
- Public information and involvement
- Population health research

- Risk management

Social Work and Social Care Advisory Committees and Chief Social Work Officer's Report and Updates

To provide assurance in respect of social work and social care governance by seeking assurance that there are adequate systems and processes in place to ensure:

- Promotion of values and standards of professional practice, including all relevant National Standards and Guidance, and ensure local adherence with the Codes of Practice issued by the Scottish Social Services Council (SSSC) for social services workers and employers.
- Ensuring that all social service workers practice in line with the SSSC's Code of Practice and that all registered workers meet the requirements of their regulatory body;
- Maintenance and development of high standards of practice and supervision in line with relevant guidance;
- Effective governance arrangements for the management of the complex balance of need, risk and civil liberties, in accordance with professional standards;
- The promotion of continuous improvement and the identification of areas for professional development, workforce planning and quality assurance of services;
- Consideration of requirements for significant case reviews and/or serious incident reviews to be undertaken into critical incidents either resulting in – or which may have resulted in – death or serious harm;
- That only registered social workers undertake those functions reserved in legislation or are accountable for those functions described in guidance; and
- The application of evidence-informed good practice, including the development of person-centred services that are focussed on the needs of people who use services and support.

1.6 Best Value

The Committee is responsible for reviewing those aspects of the Best Value delegated to it from Orkney NHS Board, the Board of Orkney Health

and Care and/or the Orkney Health and Care Committee. The Committee will put in place arrangements which will provide assurance to the Chief Executives (of NHS Orkney and of Orkney Islands Council), as accountable officers, that NHS Orkney, the Board of Orkney Health and Care and the Orkney Health and Care Committee has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executives should be included as an explicit statement in the Committee's Annual Report.

1.7 Authority:

The committee is authorised by the Board of NHS Orkney, the Board of Orkney Health and Care and the Orkney Health and Care Committee to investigate any activity within its Terms of Reference and in doing so, is authorised to seek any information it requires from any employee through appropriate staff governance standards / policies held by NHSO and OIC.

The Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney, the Chief Officer of the Board of Orkney Health and Care or Orkney Islands Council (in terms of the functions that are delegated by Orkney Islands Council to the Board of Orkney Health and Care) to attend whole or part of any meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to the Chair of the Clinical and Care Governance Group.

1.8 Reporting Arrangements:

- The Clinical and Care Governance Committee reports to Orkney NHS Board, to Board of Orkney Health and Care and to the Orkney Health and Care Committee.
- Following a meeting of the Clinical and Care Governance Committee the minute of that meeting should be presented at the next Orkney NHS Board meeting, the next Board of Orkney Health and Care, and the next meeting of the Orkney Health and Care Committee.
- The Clinical and Care Governance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Clinical and Care Governance Committee
- The Clinical and Care Governance Committee will produce an annual report for presentation to Orkney NHS Board, the Board of Orkney Health and Care and the Orkney Health and Care Committee. The Annual Report will describe the outcomes from the committee during the year and provide an assurance to the Audit Committee of both Boards, and the Orkney Health and Care Committee, that the Committee has met its remit during the year.

c) Finance and Performance Committee

1.1 **Purpose:**

The purpose of the Finance and Performance Committee is to review the financial and non financial performance of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively. The committee will provide cross committee assurance to the Integration Joint Board in relation to performance on delegated functions.

1.2 **Composition**

The membership of the Committee shall consist of:

- Non-Executive Board Member Chair
- Local Authority Nominated Non-Executive Board Member
- Two other Non Executive Board Members
- NHS Orkney Chief Executive
- NHS Orkney Director of Finance – Executive Lead and support to Finance and Performance Committee

One Non Executive Board Member should also be a member of the Integration Joint Board

Where possible, at least one non-executive Board Member should have a qualification or demonstrable experience in the fields of finance or performance management.

1.3 **Attendance:**

In addition, there will be in attendance:

- Chief Officer (or nominated deputy)
- Head of Finance
- Head of Hospital and Support Services
- Head of Transformational Change and Improvement

All Board members shall have the right of attendance and will routinely be sent copies of agenda and papers.

The Committee shall invite others to attend, as required, for specific agenda items

1.4 **Quorum:**

Members of the Committee shall be quorate when there are three members present including at least two non-executive Board Members, one of whom must be chair or vice-chair, and one executive member.

It will be expected that another non-executive Board Member will deputise for a member of the Committee at any meeting when required.

1.5 Meetings:

The Committee will meet at least bi-monthly.

Extraordinary meetings may be called by:

- The Finance and Performance Committee Chairperson
- NHS Orkney Chief Executive
- NHS Orkney Director of Finance

1.6 Remit:

The Committee shall have accountability to the Board for ensuring that the financial position of the Board is soundly based, having regard to:

- Such financial and performance monitoring and reporting arrangements as may be specified;
- Compliance with statutory financial requirements and achievement of financial targets;
- The impact of planned, known or foreseeable future developments on the financial performance of the Board and wider health planning agenda

The Committee has responsibility for:

- The development of the Board's Financial Plan in support of the context of Strategic and Operational Plans;
- Recommending to the Board annual revenue and capital budgets, and financial plans consistent with statutory financial responsibilities;
- To oversee and monitor the Board's performance against the prevailing NHS Scotland and others performance measurement regime and other local and national targets as required;
- The oversight of the Board's Capital Programme and the review of the Property Strategy (including the acquisition and disposal of property);
- Putting in place and scrutinising arrangements which will provide assurance to the Chief Executive as Accountable Officer that NHS Orkney has systems and processes in place to secure best value ; The assurance to the Chief Executive should be included as an

- explicit statement in the Committee's Annual Report;
- responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board;
- To provide assurance to the Board that NHS Orkney is compliant with Audit Scotland's Best Value Initiatives;
- To scrutinise the Board's financial and non financial performance and ensure that corrective actions are taken;
- To ensure better reporting links between services and financial inputs, to allow the Board to demonstrate that it provides value for money to the public
- To continually review the value for money and efficiency that the Board is achieving in service delivery and how it compares with other Boards across the UK;
- To ensure adequate risk management is employed in all areas within the remit of the Committee;
- Review performance, effectiveness and Terms of Reference of the Committee on an annual basis;
- To develop an annual cycle of business;
- To ensure robust arrangements are in place in relation to Information Governance and enabling technology providing assurance to the Board in this regard;
- To ensure robust arrangements are in place in relation to Business Continuity and Emergency Planning

1.7 Best Value

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

1.8 Authority:

The committee is authorised by the Board to investigate any activity within its Terms of Reference and in doing so, is authorised to seek any information it requires from any employee.

The Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend whole or part of any meetings.

1.9 Reporting Arrangements:

- The Finance and Performance Committee reports to Orkney NHS

Board;

- Following a meeting of the Finance and Performance Committee the Chair will present at the next Orkney NHS Board meeting an update from the meeting and any approved minutes;
- The Finance and Performance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Committee;
- The Finance and Performance Committee will produce an annual report for presentation to Orkney NHS Board. The Annual Report will describe the outcomes from the Committee during the year and provide assurance to the Board that the Committee has met its remit during the year.

d) **Remuneration Committee**

1.1 **Purpose:**

NHS Orkney is required to have a Remuneration Committee (herein referred to as the Committee) whose main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board as determined by Ministers and the Scottish Government.

In this regard, the Committee is a standing committee of the Board and will act with full authority in relation to the matters set out in its Role and Remit (detailed below). It will be required to provide assurance to the Board that systems and procedures are in place to do so, enabling the overarching staff governance responsibilities to be effectively discharged.

1.2 **Composition:**

The Remuneration Committee shall consist of:

- The Chair of the Board (who will be the chair);
- Three other non executive members one of whom should, in normal circumstances, be the Employee Director.

Non Executive Members cannot be members of this Committee if they are independent primary care contractors.

1.3 **Attendance:**

In addition, there will be in attendance:

- Chief Executive
- Director of Workforce, or deputy, as advisor to the Committee.

At the request of the Committee, other Senior Officers also may be invited to attend.

All members of the Remuneration Committee will require to be appropriately

trained to carry out their role on the Committee.

No employee of the Board shall be present when any issue relating to their employment is being discussed.

1.4 Quorum:

Meeting of the Remuneration Committee will be quorate when two non-executive members are present, one of whom must be the chair or vice-chair.

Any non-executive Board member, except if they are independent primary care contractors, with the agreement of the Chair may deputise for a member of the Committee at any meeting.

1.5 Meetings:

The Committee will normally meet at least twice a year, with such other meetings as necessary to conduct the business of the Committee.

Remuneration issues may arise between meetings and will be brought to the attention of the Chair of the Remuneration Committee by the Chief Executive or the Director of Workforce. The Chair may call a special meeting of the Remuneration Committee to address the issue or these may be considered virtually if appropriate.

1.6 Remit:

The Remuneration Committee will oversee the remuneration arrangements for Executive Directors of the Board and also to discharge specific responsibilities on behalf of the Board as an employing organisation.

Ensure that arrangements are in place to comply with NHS Orkney Performance Assessment Agreement with Scottish Government direction and guidance for determining the employment, remuneration, terms and conditions of employment for Executive Directors, in particular:

- Approving the personal objectives of all Executive Directors in the context of NHS Orkney's Local Delivery Plan, Corporate Objectives and other local, regional and national policy;
- Receiving formal reports on the operation of remuneration arrangements and the outcomes of the annual assessment of performance and remuneration for each of the Executive Directors.

Undertake reviews of aspects of remuneration and employment policy for Executive Directors (for example Relocation Policy) and, where necessary, other senior managers, for example special remuneration, when requested by NHS Orkney.

When appropriate, in accordance with procedures, consider any redundancy, early retiral or termination arrangement, including Employment Tribunal Settlements (approved by Scottish Government) in respect of NHS Orkney Executive Directors and, after due scrutiny, obtain a separate individual direction to make the actual payment. By exception, other challenging cases, not involving Executive Directors, may be discussed by the Committee, with the approval of the Chair.

In accordance with procedures, approve payment of Discretionary Points to locally employed consultant staff as recommended by the Discretionary Points Committee based upon professional advice and in accordance with current guidance issued by the Scottish Government Health and Social Care Directorates.

The Remuneration Committee will act as the Discretionary Points committee as required, and may call an additional meeting for this purpose.

1.7 Confidentiality and Committee Decisions:

Decisions reached by the Committee will be by agreement and with all members agreeing to abide by such decisions (to the extent that they are in accordance with the constitution of the Committee). All Members will treat the business of the Committee as confidential. The Committee may in certain circumstances decide a voting approach is required with the Chair having a second and casting vote.

1.8 Minutes and Reports:

The minutes will record a clear summary of the discussions, demonstrating challenge where relevant, and decisions reached by the Committee. The full minutes will be circulated to Committee members and non executive members of the Board only. An Annual Report on Committee business will be submitted to the Board.

Cross Committee assurance will be provided/sought if required, through the Chair. This will not include the detail of confidential employment issues: these can only be considered by Non-Executive Board Members.

1.9 Best Value:

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from NHS Orkney Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive as Accountable Officer, that NHS Orkney has systems and processes in place to secure best value for these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

1.10 Authority:

The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference, and in doing so, is authorised to seek any information it requires about any employee.

In order to fulfil its remit, the Remuneration Committee may seek additional professional advice, and it may require Directors or other officers of NHS Orkney to attend meetings, as necessary.

1.11 Reporting Arrangements:

The Remuneration Committee is required to provide assurance that systems and procedures are in place to manage the responsibilities contained within its remit. It will do this by providing an annual report of its work to the Board describing the outcomes from Remuneration Committee during the year and providing an annual assurance that systems and procedures are in place to manage the pay arrangements for all Executive Directors and others under the Executive Cohort pay system so that overarching Staff Governance responsibilities can be discharged. The Annual Report will be prepared as close as possible to the end of the financial year but in enough time to allow it to be considered by the Board. This is to ensure that the Board is in a position in its Annual Report to provide the annual assurance that systems and procedures are in place to manage the pay arrangements for all staff employed in NHS Orkney.

The annual report will also be provided to the Staff Governance Committee for information.

e) Staff Governance Committee

1.1 Purpose

The NHS Reform (Scotland) Act 2004 requires the Board to put, and keep, in place arrangements for the purpose of —

- (a) Improving the management of the officers employed by it;
- (b) Monitoring such management; and
- (c) Workforce planning.”

It further requires all NHS Scotland employers to ensure the fair and effective management of staff.

NHS Scotland recognises the importance of Staff Governance as a feature of high performance which ensures that all staff have a positive employment experience. Standards have been agreed and set down for NHS organisations which state that staff should be:

- Well informed

- Appropriately trained and developed
- Involved in decisions that affect them
- Treated fairly and consistently
- Provided with a safe and improved working environment

The role of the Staff Governance Committee is to advise the Board on these responsibilities by:

- Ensuring scrutiny of performance against the individual elements of the Staff Governance Standards
- Ensuring effective workforce planning arrangements are in place
- Reviewing and signing off data collected during annual Staff Governance monitoring
- Reviewing and monitoring Staff Experience Engagement Index Data and improvement plans.
- Seeking assurance from data and information provided in reports to the Committee.

1.2 **Composition**

Four Non-Executive Members including Employee Director plus two lay representatives from trade unions and professional organisations nominated by the Partnership Forum

Chief Executive

Director of Workforce, or Deputy – Lead for Committee

Director of Nursing, Midwifery and Allied Health Professions

Attendance:

In addition there will be in attendance:

- Head of Organisational Development and Learning
- Local Human Resources Staff as required for specific agenda items

Other Officers of the Board including the Medical Director will also be invited to attend for specific agenda items as required.

1.3 **Quorum:**

Meetings of the Committee will be quorate when two non-executive Board members, one executive member and one lay representative from union and/or professional body or deputy are present.

It will be expected that another non-executive Board Member or lay representative will deputise for a member of the Committee at any meeting when required.

1.4 **Meetings:**

The Committee will meet at least quarterly

Extraordinary meetings may be called by:

- The Staff Governance Committee Chairperson
- NHS Orkney Chief Executive

1.5 **Responsibilities**

The Staff Governance Committee shall have accountability to the Board for:

- Overseeing the commissioning of structures and processes which ensure that delivery against the Standard is being achieved;
- Monitoring and evaluating strategies and implementation plans relating to people management;
- Support policy amendment, funding or resource submissions to achieve the Staff Governance Standards;
- Note or approve workforce policies progressed under the Once for Scotland agenda and/or following consultation through the Joint Staff Negotiating Committee and Partnership Forum;
- Review and approve workforce plans thereby ensuring capability and capacity to deliver services;
- Monitor the progress of the Area Partnership Forum through joint Chair reports to each Committee and an annual Report to the Board;
- Seek assurance on the timely submission of all Staff Governance information required for providing national monitoring arrangements;
- Provide Staff Governance information for the governance statement through the Staff Governance Committee Annual Report;
- Review corporate risks relating to staff and workforce issues; and seek assurance that risks are minimised/mitigated;
- Whistle blowing – Seek assurance that a framework is in place to ensure that staff can safely raise concerns where they are witness to risk, malpractice or wrongdoing that affects others and review its implementation;
- Review performance, effectiveness and Terms of Reference of the Committee on an annual basis.

1.6 **Best Value**

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Orkney NHS Board. The Committee will put in place arrangements which will provide assurance to

the Chief Executive, as accountable officer, that NHS Orkney has systems and processes in place to secure best value in these delegated areas. The assurance to the Chief Executive should be included as an explicit statement in the Committee's Annual Report.

1.7 Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference, and in so doing, is authorised to seek any information it requires from any employee.

In order to fulfill its remit, the Staff Governance Committee may obtain whatever professional advice it requires, and require Directors or other officers of NHS Orkney to attend meetings.

The External Auditor and Chief Internal Auditor shall have the right of direct access to the Chair of the Staff Governance Committee.

1.8 Reporting Arrangements:

- The Staff Governance Committee reports to Orkney NHS Board
- Approved minutes of the Staff Governance Committee will be presented to the NHS Orkney Board
- The Staff Governance Committee should annually and within three months of the start of the financial year provide a work plan detailing the work to be taken forward by the Staff Committee
- The Staff Governance Committee will produce an annual report for presentation to the Audit Committee and Orkney NHS Board. The Annual Report will describe the outcomes from the Committee during the year and provide an assurance to the Audit Committee that the committee has met its remit during the year.
- The Staff Governance Committee will receive the Remuneration Committee Annual Report for information, while remaining a substantive standing Committee of the Board itself, to enable the Committee to provide overall assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114.

SECTION

B

Members code of conduct

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

1. Introduction to the Code of Conduct

Appointments to the Boards of Public Bodies
Guidance on the Code of Conduct
Enforcement

2. Key Principles of the Code of Conduct

3. General Conduct

Conduct at Meetings
Relationships with Board Members
and Employees of the Public Body
Allowances
Remuneration, Allowances and
Expenses

Gifts and Hospitality
Confidentiality requirements
Use of Public Body Facilities
Appointment to Partner Organisations

4. Registration of Interests

Category One – Remuneration
Category Two – Related
Undertakings
Category Three – Contracts
Category Four – Houses, Land and
Buildings

Category Five – Interest in Shares and
Securities
Category Six – Gifts and Hospitality
Category Seven - Non Financial Interests

5. Declaration of Interests

General
Interests which Require Declaration
Your Financial Interests
Your Non-Financial Interests
The financial interests of other
persons

The non-financial interests of other
persons
Making a declaration
Frequent declaration of Interests
Dispensations
Flowchart – Questions to ask yourself

6. Lobbying and Access to Members of Public Bodies

Introduction

Rules and Guidance

Annexes

Annex A

Sanctions Available to the Standards Commission for Breach of
Code

Annex B

Definitions

Annex C

Bribery Act 2010 – NHS Orkney's Aims and Objectives

1 Introduction to the Code of Conduct

- 1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. You must meet those expectations by ensuring that your conduct is above reproach.
- 1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000, “the Act”, provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, “The Standards Commission” to oversee the new framework and deal with alleged breaches of the codes.
- 1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for members was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.
- 1.4 As a member of Orkney NHS Board “the Board”, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

Appointments to the Boards of Public Bodies

- 1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government’s equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board’s appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the Board on which you serve and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that Orkney NHS Board will have agreed with the Scottish Government’s Public Appointment

Centre of Expertise.

- 1.6 You should also familiarise yourself with how the board's policy operates in relation to succession planning, which should ensure public bodies have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

Guidance on the Code of Conduct

- 1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.
- 1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from Orkney NHS Board. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.
- 1.9 You should familiarise yourself with the Scottish Government publication "[On Board – a guide for board members of public bodies in Scotland](#)". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

- 1.10 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A**.

2 Key Principles of the Code of Conduct

- 2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of Orkney NHS Board of which you are a member and in accordance with the core functions and duties of the board.

Selflessness

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

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

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

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that Orkney NHS Board uses its resources prudently and in accordance with the law.

Openness

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

Honesty

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

Leadership

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

Respect

You must respect fellow members of the Board and employees of Orkney NHS Board and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of Orkney NHS Board.

- 2.2 You should apply the principles of this Code to your dealings with fellow members of Orkney NHS Board, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of Orkney NHS Board

3 General Conduct

Relationship with Employees of Orkney NHS Board:

- 3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of Orkney NHS Board.

Conduct at Meetings

- 3.2 You must respect the chair, your colleagues and employees of Orkney NHS Board in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of the Public Body (including those employed by contractors providing services)

- 3.3 You will treat your fellow board members and any staff employed by Orkney NHS Board with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of Orkney NHS Board in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

- 3.4 You must comply with any rules of Orkney NHS Board regarding remuneration, allowances and expenses.

Gifts and Hospitality

- 3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term “gift” includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.
- 3.6 You must never ask for gifts or hospitality.
- 3.7 You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in Orkney NHS Board. As a general guide, it is usually appropriate to refuse offers except:
- a. isolated gifts of a trivial character, the value of which must not exceed £50;
 - b. normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
 - c. gifts received on behalf of Orkney NHS Board.
- 3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision Orkney NHS Board may be involved in determining, or who is seeking to do business with the Board, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of Orkney NHS Board then, as a general rule, you should ensure that the Board pays for the cost of the visit.
- 3.9 You must not accept repeated hospitality or repeated gifts from the same source.
- 3.10 Members of Orkney NHS Board should familiarise themselves with the terms of the [Bribery Act 2010](#) which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality Requirements:

- 3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of Orkney NHS Board in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.
- 3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain or for political purposes or used in such a way as to bring Orkney NHS Board into disrepute.

Use of Public Body Facilities:

- 3.13 Members of Orkney NHS Board must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc. must be in accordance with the Board's policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of Orkney NHS Board.

Appointment to Partner Organisations:

- 3.14 You may be appointed, or nominated by Orkney NHS Board, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.
- 3.15 Members who become directors of companies as nominees of Orkney NHS Board will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and the Board. It is your responsibility to take advice on your responsibilities to Orkney NHS Board and to the company. This will include questions of declarations of interest.

4 Registration of Interests

- 4.1 The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called 'Registerable Interests'. You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the Orkney NHS Board Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.
- 4.2 The Regulations¹ as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. **Annex B** contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee.

Category One: Remuneration:

- 4.3 You have a Registerable Interest where you receive remuneration by virtue of being:
- Employed
 - Self-employed
 - The holder of an office
 - A director of an undertaking
 - A partner in a firm or
 - Undertaking a trade, profession or vocation or any other work
- 4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.
- 4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, 'Related Undertakings'.
- 4.6 If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be

¹ SSI - The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

registered.

- 4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.
- 4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.
- 4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.
- 4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.
- 4.11 Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings:

- 4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.
- 4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.
- 4.14 The situations to which the above paragraphs apply are as follows:-
 - You are a director of a board of an undertaking and receive remuneration – declared under category one – and
 - You are a director of a parent or subsidiary undertaking but do not received remuneration in that capacity

Category Three: Contracts:

- 4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have

shares of a value as described in paragraph 5.8 below) have made a contract with Orkney NHS Board of which you are a member.

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

4.16 You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings:

4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of Orkney NHS Board.

4.18 The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to Orkney NHS Board and to the public, or could influence your actions, speeches or decision-making.

Category Five: Shares and Securities:

4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a Orkney NHS Board and (b) the **nominal value** of the shares is:

- (i) greater than 1% of the issued share capital of the company or other body; or
- (ii) greater than £25,000.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category Six: Gifts and Hospitality:

4.20 You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 (a) to (c) of this Code.

Category Seven: Non-Financial Interests

- 4.21 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of Orkney NHS Board. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.
- 4.22 In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to Orkney NHS Board and to the public, or could influence your actions, speeches or decision-making.

5 Declaration of Interests

General:

- 5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of Orkney NHS Board. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.
- 5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in Orkney NHS Board and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.
- 5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the **objective test** (“the objective test”) which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of Orkney NHS Board.
- 5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than

that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exists, they should seek advice from the Board chair.

- 5.5 As a member of Orkney NHS Board you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between Orkney NHS Board and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

Interests which Require Declaration:

- 5.6 Interests which require to be declared if known to you may be financial or non-financial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraphs which follow deal with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial, of other persons.
- 5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of Orkney NHS Board. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of Orkney NHS Board as opposed to the interest of an ordinary member of the public.

Your Financial Interests:

5.8 You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code). If, under category one (or category seven in respect of non-financial interests) of section 4 of this Code, you have registered an interest

- a) As an employee of the Board; or
- b) As a Councillor or a Member of another Devolved Public Body where the council or other devolved public body, as the case may be, has nominated or appointed you as a Member of the Board;

You do not, for that reason alone, have to declare that interest.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.9 You must declare, if it is known to you, any non-financial interest if:

- i. That interest has been registered under category seven (Non-Financial Interests) of Section 4 of the Code; or
- ii. That interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test

The Financial Interests of Other Persons:

5.10 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

- i. a spouse, a civil partner or a co-habitee;

- ii. a close relative, close friend or close associate;
- iii. an employer or a partner in a firm;
- iv. a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- v. a person from whom you have received a registerable gift or registerable hospitality;
- vi. a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

- 5.11 This Code does not attempt the task of defining “relative” or “friend” or “associate”. Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of Orkney NHS Board and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

- 5.12 You must declare if it is known to you any non-financial interest of:-

- i. a spouse, a civil partner or a co-habitee;
- ii. a close relative, close friend or close associate;
- iii. an employer or a partner in a firm;
- iv. a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- v. a person from whom you have received a registerable gift or registerable hospitality;
- vi. a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

- 5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.
- 5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

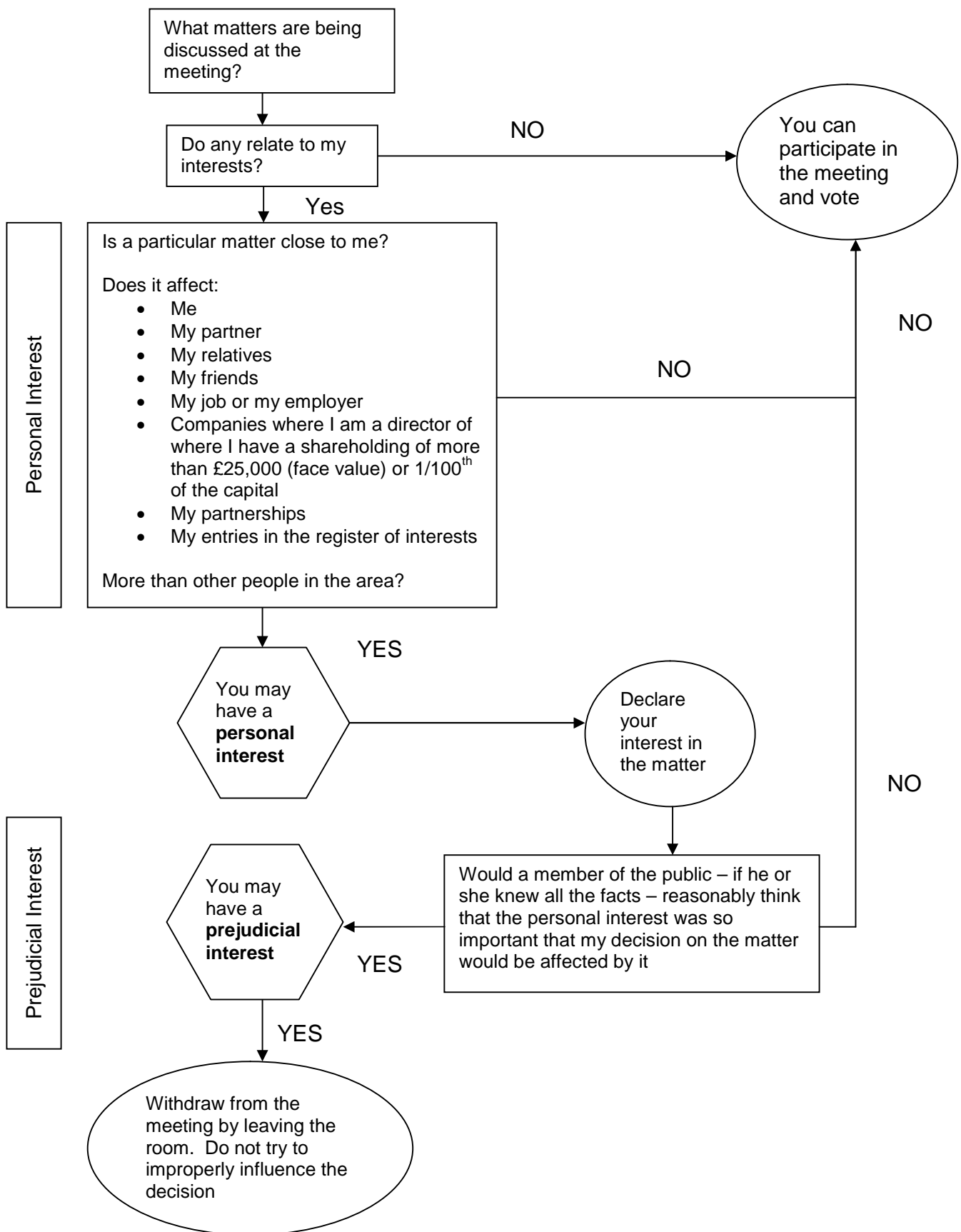
Frequent Declarations of Interest

- 5.15 Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

- 5.16 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before Orkney NHS Board and its committees.
- 5.17 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

Declaring interests flowchart – Questions to ask yourself



6 Lobbying and Access to Members of Public Bodies

Introduction:

- 6.1 In order for Orkney NHS Board to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which Orkney NHS Board conducts its business.
- 6.2 You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance:

- 6.3 You must not, in relation to contact with any person or organisation who lobbies, do anything which contravenes this Code or any other relevant rule of Orkney NHS Board or any statutory provision.
- 6.4 You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon Orkney NHS Board.
- 6.5 The public must be assured that no person or organisation will gain better access to or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of Orkney NHS Board.
- 6.6 Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation who is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but

it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.

- 6.7 You should not accept any paid work
- a. which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.
 - b. to provide services as a strategist, adviser or consultant, for example, advising on how to influence Orkney NHS Board and its members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of Orkney NHS Board, such as journalism, or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.
- 6.8 If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of Orkney NHS Board.

Annex A

Sanctions Available To The Standards Commission For Breach Of The Code:

- a) Censure – the Commission may reprimand the member but otherwise take no action against them;
- b) Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:
 - i. all meetings of the Board;
 - ii. all meetings of one or more committees or sub-committees of the Board;
 - iii. all meetings of any other public body on which that member is a representative or nominee of Orkney NHS Board of which they are a member.
- c) suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above.
- d) Disqualification – removing the member from membership of Orkney NHS Board for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of Orkney NHS Board be reduced, or not paid.

Where the Standards Commission disqualifies a member of Orkney NHS Board, it may go on to impose the following further sanctions:

- a) Where the member of a public body is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from their public body and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.
- b) Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as the Water Industry Commissioner.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member

of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

Annex B

Definitions

“Chair” includes Board Convener or any person discharging similar functions under alternative decision making structures.

“Code” code of conduct for members of devolved public bodies

“Cohabitee” includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

“Group of companies” has the same meaning as “group” in section 262(1) of the Companies Act 1985. A “group”, within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

“Parent Undertaking” is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

“A person” means a single individual or legal person and includes a group of companies.

“Any person” includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

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

“Related Undertaking” is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

“Remuneration” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

“Spouse” does not include a former spouse or a spouse who is living separately and apart from you.

“Undertaking” means:

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

Annex C

Bribery Act 2010 – NHS Orkney’s Aims and Objectives

The Bribery Act 2010 (“The Act”) has brought further obligations on NHS Orkney, its Non-Executive Members of the Board and its staff.

NHS Orkney does not tolerate any form of bribery, whether direct or indirect, by, or of, its staff, agents or external consultants or any persons or entities acting for it or on its behalf. This includes Non-Executive Members of the Board, and any other co-opted members of committees or sub-committees of the Board.

The Board is committed to implementing and enforcing effective systems throughout NHS Orkney to prevent, monitor and eliminate bribery within NHS Orkney, in accordance with the Bribery Act 2010, and to the rigorous investigation of any such cases.

NHS Orkney will not conduct business with service providers, agents or representatives that do not support its anti-bribery statement and it reserves the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, NHS Orkney with immediate effect where there is evidence that they have committed acts of bribery.

The success of NHS Orkney’s anti-bribery measures depends on all employees, Non-Executive Members of the Board and those acting for NHS Orkney, playing their part in helping to detect and eradicate bribery. Therefore all employees, Non-Executive Members of the Board and others acting for or on behalf of NHS Orkney are encouraged to report any suspected bribery in accordance with bribery in accordance with The Fraud Standards, Section D, of the Code of Corporate Governance.

SECTION

C

Standards of Business conduct for NHS staff

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

Standards of Business Conduct for NHS Staff

1. Introduction
2. The Bribery Act 2010 – NHS Orkney's Aims and Objectives
3. The Bribery Act 2010 – Key Points
4. Responsibilities of Staff
5. Key Principals of Business Conducts
6. Acceptance of Gifts, Hospitality and Prizes
7. Register of Staff Interests
8. Purchase of Goods and Services
9. Purchase, Sale and Lease of Property
10. Benefits accruing from Official Expenditure
11. Free samples
12. Outside Interests
13. Private Practice and Secondary Employment
14. Acceptance of Fees
15. Contact with Media
16. General Principles
17. Intellectual Property Rights
18. Sponsorship
19. Remedies
20. Communication
21. Contact for further guidance.
22. Review process

Standards of Business Conduct for NHS Staff

1 Introduction

This section of NHS Orkney's Code of Corporate Governance provides instructions on those issues or matters which staff are most likely to encounter in carrying out their day to day duties. This is not exhaustive and is supplementary to (and therefore should be read in conjunction with) the Standards of Business Conduct for NHS Staff (NHS Circular [MEL \(1994\) 48](#)) and [A Common Understanding 2012: Working Together for Patients](#).

The Standards of Business Conduct for NHS Staff will be incorporated into the contract of employment for each member of staff.

Guidance regarding accepted practice in NHS Orkney is detailed in these Standards; however, professionally registered staff should also ensure that they do not breach the requirements in respect of their Professional Codes of Conduct.

2 The Bribery Act 2010 - NHS Orkney's Aims and Objectives

The [Bribery Act 2010](#) ("The Act") has brought further obligations on NHS Orkney, its Non-Executive Members and its staff.

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The Board is committed to implementing and enforcing effective systems throughout NHS Orkney to prevent, monitor and eliminate bribery within NHS Orkney, in accordance with the [Bribery Act 2010](#), and to the rigorous investigation of any such cases.

NHS Orkney will not conduct business with service providers, agents or representatives that do not support its anti-bribery statement and it reserves the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, NHS Orkney with immediate effect where there is evidence that they have committed acts of bribery.

The success of NHS Orkney's anti-bribery measures depends on all employees, Non-Executive Members and those acting for NHS Orkney, playing their part in helping to detect and eradicate bribery. Therefore all

employees, Non-Executive Members and others acting for or on behalf of NHS Orkney are encouraged to report any suspected bribery in accordance with bribery in accordance with The Fraud Standards, Section D, of the Code of Corporate Governance.

3 The Bribery Act 2010 – Key Points

- 3.1 The [Bribery Act 2010](#) is one a strict piece of legislation and makes it a criminal offence for any individual (employee, contractor, agent) associated with NHS Orkney, to give, promise or offer a bribe, and to request, agree to receive or accept a bribe (sections 1, 2 and 6 offences). This can be punishable by imprisonment of up to ten years.
- 3.2 In addition, the Act introduces a corporate offence (Section 7 offence) which means that NHS Orkney can be exposed to criminal liability, punishable by an unlimited fine, if it fails to prevent bribery by not having adequate preventative procedures in place that are robust, up-to-date and effective. The corporate offence is not a stand-alone offence and will follow from a bribery/corruption offence committed by an individual associated with NHS Orkney, in the course of their work. NHS Orkney takes its legal responsibilities very seriously.
- 3.3 If a bribery offence is proved to have been committed by an outside body corporate with the consent or connivance of a Director or Senior Officer of NHS Orkney, under the Act, the Director or Senior Officer would be guilty of an offence (section 14 offences) as well as the body corporate which paid the bribe.
- 3.4 Whilst the exact definition of bribery and corruption is a statutory matter, the following working definitions are given together with some examples:

Bribery is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage;

Corruption relates to a lack of integrity or honesty, including the mis-use of trust for dishonest gain. It can be broadly defined as the offering or acceptance of inducements, gifts, favours, payments or benefits in kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly, however they may be unreasonably using their position to give some advantage to another.

Examples of bribery:

Offering a Bribe

A bribe would occur if:

- A payment was made to influence an individual who was responsible for making decision on whether NHS Orkney should be selected as the preferred bidder for the provision of services in a procurement process;
- A member of staff conducted private meetings, other than on NHS premises, with a public contractor hoping to tender an NHS Orkney contract, each time accepting hospitality far in excess of that deemed appropriate within the Standards of Business Conduct for NHS Orkney and without guidance being sought in advance from the line manager or Board Secretary, or subsequently being declared.

Receiving a Bribe

A bribe would occur if:

- A patient offered a member of NHS Orkney staff a payment (or other incentive) to speed up, beyond usual timeframe, the provision of a particular aspect of their care;
- A pharmaceutical company offered a member of NHS Orkney staff a payment (or other incentive such as a generous gift or lavish hospitality) in order to influence their decision making in the selection of a pharmaceutical product to appear on NHS Orkney's drug formulary.

- 3.5 The success of NHS Orkney's anti-bribery measures depends on all employees, and those acting for NHS Orkney, playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for or on behalf of NHS Orkney are encouraged to report any suspected bribery in accordance with following The Fraud Standards, Section D, of the Code of Corporate Governance.

4 Responsibilities of Staff

- 4.1 NHS Orkney is committed to maintaining strict ethical standards and integrity in the conduct of its business activities. All NHS Orkney staff and individuals acting on NHS Orkney's behalf, are responsible for conducting NHS Orkney's business professionally, with honesty, integrity and maintaining the organisation's reputation and free from bribery.
- 4.2 Staff must ensure that they do not place themselves in a position which risks, or appears to risk, conflict between their private interests and their

NHS duties such as, for example, abusing their present position to obtain preferential rates for personal gain or to benefit family members or associates.

This primary responsibility applies to **all NHS staff**, but is of particular relevance to those who commit NHS resources directly (eg by the ordering of goods) or those who do so indirectly (eg by the prescribing of medicines).

- 4.3 The NHS must be impartial and honest in the conduct of its business and its employees should remain beyond suspicion.
- 4.4 Staff need to be aware that a breach of the provisions of the Bribery Act renders them liable to prosecution and may lead to potential disciplinary action and the loss of their employment and superannuation rights.
- 4.5 This Code reflects the minimum Standards of Business Conduct expected from all NHS staff. Any breaches of the Code may lead to disciplinary action.

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

5 Key Principles of Business Conduct

The Standards of Business Conduct for NHS Staff [\[MEL \(1994\) 48\]](#) provide instructions to staff in maintaining strict ethical standards in the conduct of NHS business. All staff are therefore required to adhere to the Standards of Business Conduct for NHS Staff.

Public Service values must be at the heart of the NHS Board's activities. High standards of corporate and personal conduct, based on the recognition that patients come first, are mandatory. The NHS Board is a publicly funded body, accountable to Scottish Ministers and through them to the Scottish Parliament for the services and for the economical, efficient and effective use of resources placed at the Board's disposal.

By staff following these principles, the Board should be able to demonstrate that it adheres to the three essential public sector values.

Accountability:

Everything done by those who work in the organisation must be able to stand these tests of parliamentary scrutiny, public

judgements on propriety, and meet professional codes of conduct.

Probity:

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

Openness:

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

6 Acceptance of Gifts, Hospitality and Prizes

6.1 Gifts

6.1.1 The Standards of Business Conduct state that any money, gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless the employee proves the contrary.

6.1.2 Staff should therefore be very cautious if faced with the offer of a gift. Casual gifts offered by contractors or others excluding patients, relatives, or carers (for example, at the festive season) may not be in any way connected with the performance of duties so as to constitute an offence. Such gifts should nevertheless be declined. Items of low intrinsic value eg boxes of biscuits, chocolates or flowers from patients, relatives, or carers can be accepted. Any gifts of money should be handled in accordance with the Endowment Fund Charter.

Where an unsolicited or inappropriate gift is received and the individual is unable to return it or the donor refuses to accept its return, they should report the circumstances to the Board Secretary who will determine if the gift can be accepted and this should be recorded in the Register of Gifts.

Financial donations to a department fund, which are to be used for the purposes of NHS Orkney must be administered through Orkney Health Board Endowment Fund and handled in accordance with the Endowment Fund Charter.

The Board Secretary should maintain a register to record gifts reported by staff. It is the responsibility of the recipients of such gifts to report all such items received to the Board Secretary for recording who will provide the registration form. This register will be published on the NHS Orkney website.

6.2 Hospitality

- 6.2.1 Standards of Business Conduct state that hospitality may be acceptable provided it is normal and reasonable in the circumstances eg lunches in the course of a working visit. Any hospitality accepted should be similar in scale to that which the NHS as an employer would be likely to offer and must not exceed £25. All other offers of hospitality should be declined.
- 6.2.2 Staff should seek guidance from their Line Manager prior to accepting any such hospitality. In cases of doubt, advice should be sought from the Board Secretary.
- 6.2.3 It may not always be clear whether an individual is being invited to an event involving the provision of hospitality (eg formal dinner) in a personal/private capacity or as a consequence of the position which they hold in NHS Orkney.
- (i) If the invitation is the result of the individual's position with NHS Orkney, only hospitality which is modest and normal and reasonable in the circumstances should be accepted. If the nature of the event dictates a level of hospitality which exceeds this, then the individual should ensure that his/her Head of Department/Director is fully aware of the circumstances. An example of such an event might be an awards ceremony involving a formal dinner. If the Head of Department/Director grants approval to attend, the individual should declare his/her attendance for registration in the Register of Hospitality held by the Board Secretary.
 - (ii) If the individual is invited to an event in a private capacity (eg as result of his/her qualification or membership of a professional body), they are at liberty to accept or decline the invitation without referring to his/her Line Manager. The following matters should however be considered before an invitation to an individual in a private capacity is accepted.
 - a) The individual should not do or say anything at the event that could be construed as representing the views and/or policies of NHS Orkney.
 - b) If the body issuing the invitation has (or is likely to have, or is seeking to have) commercial or other financial dealings with NHS Orkney, then it could be difficult for an individual to demonstrate that his/her attendance was in a private and not an official capacity. Attendance could create a perception that the individual's independence had been compromised, especially where the scale of hospitality is lavish. Individuals should therefore exercise caution before accepting invitations from such bodies and must **seek approval from** their Line Manager.

- (iii) Where suppliers of clinical products offer hospitality it should only be accepted if it complies with the guidance in the Sponsorship Policy.
- (iv) The Board Secretary should maintain a register to record hospitality reported by staff. It is the responsibility of the recipients of such hospitality to report all such items received to the Board Secretary for recording in NHS Orkney's Register of Hospitality. The form in Annex 2 should be used for this purpose. This register will be published on the NHS Orkney website.

6.3 Competitions / Prizes

Individuals should not enter competitions including free draws organised by bodies who have or are seeking to have financial dealings with NHS Orkney. Potential suppliers may use this as a means of giving money or gifts to individuals with NHS Orkney in an effort to influence the outcome of business decisions. If in doubt contact the Board Secretary.

7 Register of Staff Interests

7.1 To avoid conflicts of interest and to maintain openness and accountability, employees are required to register all interests that may have any relevance to their duties/responsibilities. These include any financial interest in a business or any other activity or pursuit that may compete for an NHS contract to supply either goods or services to the NHS or in any other way could be perceived to conflict with the interests of NHS Orkney. The test to be applied when considering appropriateness of registration of an interest is to ask whether a member of the public acting reasonably might consider the interest could potentially affect the individual's responsibilities to the organisation and/or influence their actions. If in doubt the individual should register the interest or seek further guidance from the Board Secretary.

7.2 Interests that it may be appropriate to register, include:

- (i) Other employments including self employment.
- (ii) Directorships including Non-Executive Directorships held in private companies or public limited companies (whether remunerated or not).
- (iii) Ownership of, or an interest in, private companies, partnerships, businesses or consultancies.
- (iv) Shareholdings in organisations likely or possibly seeking to do business with the NHS (the value of the shareholdings need not be declared).

- (v) Ownership of or interest in land or buildings which may be significant to, of relevance to, or bear upon the work of NHS Orkney.
- (vi) Any position of authority held in another public body, trade union, charity or voluntary body.
- (vii) Any connection with a voluntary or other body contracting for NHS services.
- (viii) Any involvement in joint working arrangements with Clinical (or other) Suppliers.

This list is not exhaustive and should not preclude the registration of other forms of interest where these may give rise to a potential conflict of interest upon the work of NHS Orkney. Any interests of spouses, partner or civil partner, close relative or associate, or persons living with the individual as part of a family unit, will also require registration if a conflict of interests exists.

- 7.3 The completed register of interests form should be returned to the Board Secretary. The Register of Staff Interests will be retained for a period of five years.
- 7.4 It is the responsibility of each individual to declare any relevant interest to the Chair of any Committee/decision making group of which they are a Member so that the Chair is aware of any conflict which may arise.

8 Purchase of Goods and Services

- 8.1 NHS Orkney has a procurement function under the direction of the Director of Finance to purchase the goods and services required for the functioning of NHS Orkney. With the exception of staff who have delegated authority to purchase goods and services, no other member of staff is authorised to make a commitment to a third party for the purchase of goods or services. The Procurement Officer should be contacted for advice on all aspects of the purchase of goods and services.
- 8.2 All staff who are in contact with suppliers and contractors (including external consultants), and in particular those who are authorised to sign Purchase Orders, or place contracts for goods, materials or services are expected to adhere to Section 13 of NHS Orkney's Standing Financial Instructions (SFIs).
- 8.3 Fair and open competition between prospective contractors or suppliers for NHS contracts is a requirement of SFIs and of EC Directives on Public Purchasing for Works and Supplies. This means that:

- No private or public company, firm or voluntary organisation which may bid for NHS business should be given any advantage over its competitors, such as advance notice of NHS requirements. This applies to all potential contractors whether or not there is a relationship between them and the NHS employer, such as a long-running series of previous contracts.
- Each new contract should be awarded solely on merit in accordance with the SFIs.

8.4 SFIs describe the process to be followed to purchase goods and services. Key points to note are:

- (i) SFIs define the limits above which competitive quotations and competitive tenders must be obtained and describe the process which should be followed to achieve fair and open competition.
- (ii) No organisation should be given unfair advantage in the competitive process eg by receiving advance notice of NHS Orkney's requirements.

8.5 No special favour should be shown to current or former employees or their close relatives or associates in awarding contracts to private or other businesses run by them or employing them in a senior or managerial capacity.

8.6 Contracts must be won in fair competition against other tenders and scrupulous care must be taken to ensure that the selection process is conducted impartially, and that staff who are known to have a relevant interest play no part in the selection.

8.7 All invitations to potential contractors to tender for NHS business should include a notice warning tenderers of the consequences of engaging in any corrupt practices involving NHS Orkney's employees and that facilitation payments are prohibited in line with the Bribery Act 2010.

9 Purchase, Sale and Lease of Property

9.1 Scottish Government have issued a strict set of rules governing all types of property transactions and these rules require that, each year, all NHS Orkney's property transactions are subject to close scrutiny by the Audit Committee. The results of this scrutiny are reported to Scottish Government. Failure to comply with the rules governing property transactions could be viewed as a serious disciplinary matter.

9.2 Where it is necessary to acquire, dispose of or lease property land and/or buildings, the proposed transaction should be referred to the Head of Finance in the first instance, who is responsible for property matters,

including the conduct of all property transactions.

- 9.3 Authority to sign off property transactions is limited to officers to whom authority has been formally and specifically delegated by Scottish Ministers. These officers are:

- Chief Executive
- Director of Finance

- 9.4 No other member of staff is authorised to make any commitment in respect of the acquisition or disposal of property or interest in property, eg leases.

10 Benefits Accruing from Official Expenditure

- 10.1 The underlying principal is to obtain best value from public expenditure and decisions should not be determined by private/personal benefit.
- 10.2 Staff should not use their official position for personal gain or to benefit their family and friends.
- 10.3 Employees should not seek or accept preferential rates or benefits in kind for private transactions carried out with companies with which they have had or may have official dealings on behalf of NHS Orkney. This does not apply to concessionary agreements negotiated on behalf of NHS staff as a whole.

11 Free Samples

- 11.1 Free samples should not be accepted.

12 Outside Interests and Secondary Employment

- 12.1 Outside interests include directorships, ownership, part-ownership or material shareholdings in companies, business or consultancies likely to seek to do business with the NHS. These should be declared to the individual's line manager, as should the interests of a spouse/partner or close relative.
- 12.2 In principle, staff can accept additional employment outwith NHS Orkney in their own time. It is also possible that a conflict of interest may arise as a result of an employee accepting an outside post that is with a company that does business, or is in competition with, the NHS. Where there is any doubt, the employee must seek advice from their manager before accepting any outside post. Additional employment must have no adverse effect on the work of NHS Orkney or their own performance. The resources of NHS Orkney cannot be used in external employment.

13 Acceptances of Fees

- 13.1 Where staff are offered fees by outside agencies, including a clinical supplier, for undertaking work or engagements (eg radio or TV interviews, lectures, consultancy advice, membership of an advisory board etc) within their normal working hours, or draw on his/her official experience, the employee's Line Manager must be informed and his/her written approval obtained before any commitment is given by the employee. Directors must obtain written approval from the Chief Executive and the Chief Executive must obtain written approval from the Chair of NHS Orkney before committing to such work.

An assurance will be required that:

- (i) The individual concerned is not making use of his/her NHS employment to further his/her private interests.
 - (ii) Any outside work does not interfere with the performance of his/her NHS duties.
 - (iii) Any outside work will not damage NHS Orkney's reputation
- 13.2 If the work carried out is part of the employee's normal duties, or could reasonably be regarded as falling within the normal duties of the post, then any fee due is the property of NHS Orkney and it should be NHS Orkney (and not the individual) that issues any invoice required to obtain payment. The individual must not issue requests for payment in his/her own name. The individual must pass the relevant details to the Director of Finance.
- 13.3 Employees should not commit to any work which attracts a fee until they have obtained the required written approval as described in paragraph 12.1. It is possible that an individual may undertake work and not expect a fee but then receive an unsolicited payment after the work in question has been completed. The principle set out in paragraph 12.2 applies where an unsolicited payment is received.
- 13.4 It is also possible that an individual may be offered payment in kind eg book tokens. The principle is that these should be refused.
- 13.5 A gift offered in respect of work undertaken as part of the individual's normal duties should be declined.

14 Contact with the Media

- 14.1 In order to achieve consistency and appropriateness of sometimes

sensitive public messages, only authorised staff may speak to the media. Should you be contacted by the press you should refer to the office of the Chief Executive.

14.2 Staff must not invite journalists, photographers or camera crews onto any NHS Orkney's premises without the prior agreement of the Chief Executive.

14.3 Where an individual exercises the right in a private capacity to publish an article, give an interview or otherwise participate in a media event or debate in a public forum (including the internet), they should make it clear that they are acting in a private capacity and any opinions expressed are not those of NHS Orkney. This should be agreed in principle with your line manager.

15 Conduct During Elections

15.1 General Principles

Scottish Government issue regular guidance to health bodies about their roles and conduct during election campaigns. The following general principals are set out:

- (i) There should be even-handedness in meeting information requests from candidates from different political parties. Such requests should be handled in accordance with the principals laid down in the election guidance and the [Freedom of Information \(Scotland\) Act 2002](#).
- (ii) Care should be taken over the timing of announcements of decisions made by NHS Orkney to avoid accusations of political controversy or partisanship. In some cases it may be better to defer an announcement until after the election but this would have to be balanced against any implication that the deferral itself could influence the outcome of the election. Each case should be considered on its merits and any cases of doubt should be referred to Scottish Government for advice.
- (iii) Existing advertising campaigns should be closed and there should be a general presumption against undertaking new campaigns unless agreement has been reached in advance with Scottish Government.
- (iv) In carrying out day to day work and corporate activities, care should be taken to do nothing which could be construed as politically motivated or as taking a political stance.

Public resources must not be used for party political purposes.

15.2 Freedom of Information (Scotland) Act 2002

[The Freedom of Information \(Scotland\) Act 2002](#), (FOISA) remains in full force during the election period. FOISA requests should continue to be dealt with in accordance with normal procedures. Scottish Government should be consulted in advance or responding to requests which are thought likely to impact on the election campaign in any way.

16 Intellectual Property Rights

If an employee invents a new technology, for instance, a device or diagnostic, or otherwise creates intellectual property (IP) as part of the normal duties of their employment, the patent rights in the invention belong to the employer ([Patents Act 1977](#)). Although legally the employee is not automatically entitled to any royalty or reward derived from such an invention, they would expect to be acknowledged as the inventor in any patent application. The Director of Finance should see that this effected. Full guidance is available in circulars [MEL \(1998\) 23](#) and [MEL \(2004\) 9](#).

17 Sponsorship

- 17.1 Acceptance by staff of commercial sponsorship for attendance at relevant conferences and courses is acceptable but only where the employee seeks permission in advance from the relevant Director, and the employer is satisfied that the acceptance will not compromise purchasing decisions in any way.
- 17.2 On occasions when NHS employers consider it necessary for staff advising on the purchasing of equipment to expect to see such equipment in operation in other parts of the country (or exceptionally overseas) the employer will meet the cost to avoid putting in jeopardy the integrity of subsequent purchasing decisions.
- 17.3 Companies may offer to sponsor wholly or partially a post. The employer will not enter into such an arrangement unless it is made abundantly clear to the company concerned that sponsorship will have no effect on the purchasing decision within NHS Orkney. Where the sponsorship is accepted, the Director of Finance will be fully involved and will establish monitoring arrangements to ensure that purchasing decisions are not being influenced by the sponsorship agreement.
- 17.4 Under no circumstances should any employee agree to deals where sponsorship is linked to the purchase of a particular product or to supply from particular sources.

18 Remedies

- 18.1 Managers or staff who fail to comply with the guidance detailed in this code could be subject, following full investigation, to disciplinary action up to and including dismissal. If through their actions or omissions managers or staff are found to be in contravention of either this guidance or their legal responsibilities then NHS Orkney reserves the right to take legal action, if necessary. Where staff suspect, or are aware of non-compliance with this code, they should report any such instances to their line manager or the Director of Finance.

19 Communications

- 19.1 This code is applicable to every NHS Orkney employee and therefore it is imperative that all staff are informed of its contents. Each manager within NHS Orkney will receive a copy of the code and will confirm their receipt and understanding of the code in writing as well as confirming that they have a permanent record of formally informing their staff.

20 Contact for further guidance

- 20.1 The Board Secretary will provide advice and guidance on the Standards of Business Conduct for NHS staff and its interpretation.

21 Review process

The Standards of Business Conduct for NHS Staff will be reviewed annually.

SECTION

D

The Fraud Standards

This section explains how staff must deal with suspected fraud / bribery / corruption or theft and NHS Orkney's intended response to a reported suspicion of fraud / bribery / corruption or theft.

The Fraud Standards

Fraud Policy

1. Introduction
2. The Bribery Act 2010 – Key Points
3. The Bribery Act 2010 – NHS Orkney's Aims and Objectives
4. National Fraud Initiative
5. Guidance to Staff on Fraud/Bribery/Corruption/Theft
6. Collaborating to Combat Fraud
7. Public service values
8. NHS Orkney policy and public interest disclosure act
9. Instructions to staff
10. Roles and responsibilities
11. Contact points

Response Plan

12. Introduction
 13. Reporting fraud
 14. Managing the investigation
 15. Disciplinary/dismissal procedures
 16. Gathering evidence
 17. Interview procedures
 18. Disclosure of loss from fraud
 19. Police involvement
 20. Press release
 21. Resourcing the investigation
 22. The law and its remedies
- Annex 1 - Misappropriation of Medicines
- Annex 2 - Flow Chart - Procedures for Dealing with Allegations of
Fraud/Bribery/Corruption/Other irregularities

FRAUD POLICY

1 Introduction

- 1.1 NHS Orkney is committed to maintaining strict ethical standards and integrity in the conduct of its business activities. All NHS Orkney staff and individuals acting on NHS Orkney's behalf are responsible for conducting NHS Orkney's business professionally, with honesty, integrity and maintaining the organisation's reputation and free from bribery.
- 1.2 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and the means of enforcing the rules against fraud/theft and other illegal acts involving corruption, dishonesty or damage to property.

2. The Bribery Act 2010 – Key Points

- 2.1 The Bribery Act 2010 ("The Act") came into effect on 1 July 2011, aiming to tackle bribery and corruption in both the private and public sectors.
- 2.2 The Act is one of the strictest pieces of legislation on bribery and makes it a criminal offence for any individual (employee, contractor, agent) associated with NHS Orkney, to give, promise or offer a bribe, and to request, agree to receive or accept a bribe (sections 1, 2 and 6 offences), and this can be punishable for an individual by imprisonment of up to ten years.
- 2.3 In addition, the Act introduces a corporate offence (section 7 offence) which means that NHS Orkney can be exposed to criminal liability, punishable by an unlimited fine, if it fails to prevent bribery by not having adequate preventative procedures in place that are robust, up to date and effective. The corporate offence is not a stand-alone offence and will follow from a bribery/corruption offence committed by an individual associated with NHS Orkney, in the course of their work. NHS Orkney therefore takes its legal responsibilities very seriously.
- 2.4 If a bribery offence is proved to have been committed by an outside body corporate with the consent or connivance of a director or senior officer of NHS Orkney, under the Act, the director or senior officer would be guilty of an offence (section 14 offence) as well as the body corporate which paid the bribe.

3 The Bribery Act 2010 – NHS Orkney's Aims and Objectives

- 3.1 NHS Orkney welcomes the Act and is keen to ensure compliance with

the Act's standards.

- 3.2 NHS Orkney does not tolerate any form of bribery, whether direct or indirect, by its staff, agents or external consultants or any persons or entities acting for it or on its behalf.
- 3.3 NHS Orkney will not conduct business with service providers, agents or representatives that do not support its anti-bribery statement and it reserves the right to terminate its contractual arrangements with any third parties acting for or on behalf of NHS Orkney with immediate effect, where there is evidence that they have committed acts of bribery.
- 3.4 The success of NHS Orkney's anti-bribery measures depends on all employees, and those acting for NHS Orkney, playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for or on behalf of NHS Orkney are encouraged to report any suspected bribery for following the guidance below.

4 National Fraud Initiative

- 4.1 NHS Orkney is required by law to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud.

5 Guidance to Staff on Fraud/Bribery/Corruption/Theft

- 5.1 This guidance is not intended solely for staff. It is also intended for anyone acting on the Board's behalf including Non-Executive Directors of the Board (see section B, Members Code of Conduct, paragraph 1.7) contractors, agents etc. Reference to 'staff' in this section will also mean all of these.
- 5.2 The Fraud Policy relates to all forms of fraud, bribery, corruption or theft and is intended to provide guidance to employees on the action, which should be taken when any of these are suspected. Such occurrences may involve employees of NHS Orkney, suppliers/contractors or any third party. This document sets out the Board's policy and response plan for detected or suspected fraud, bribery, corruption or theft. It is not the purpose of this document to provide direction on the prevention of fraud.
- 5.3 Whilst the exact definition of fraud, bribery, corruption or theft is a statutory matter, the following working definitions are given for guidance:
- Fraud broadly covers deliberate material misstatement, falsifying records, making or accepting improper payments or acting in a manner not in the best interest of the Board for the purposes of personal gain.
 - Bribery is an inducement or reward offered, promised or provided in

order to gain any commercial, contractual, regulatory or personal advantage;

- Corruption relates to a lack of integrity or honesty, including the use of trust for dishonest gain. It can be broadly defined as the offering or acceptance of inducements, gifts, favours, payments or benefits in kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly, however they may be unreasonably using their position to give some advantage to another;
- Theft is removing property belonging to NHS Orkney, its staff or patients with the intention of permanently depriving the owner of its use, without their consent

For simplicity this document will refer to all such offences as “fraud”, except where the context indicates otherwise.

- 5.4 NHS Orkney already has procedures in place, which reduce the likelihood of fraud occurring. These are included within the Code of Corporate Governance (ie Standards of Business Conduct, Standing Orders, Standing Financial Instructions), accounting procedures, systems of internal control and a system of risk assessment. The Board has a payment verification system which concentrates on Family Health Service expenditure.
- 5.5 It is the responsibility of NHS Orkney and its management to maintain adequate and effective internal controls, which deter and facilitate detection of any fraud. The role of Internal Audit is to evaluate these systems of control. It is not the responsibility of Internal Audit to detect fraud, but rather to identify weaknesses in systems that could potentially give rise to error or fraud.

6 Collaborating to Combat Fraud

- 6.1 NHS Orkney will work closely with other organisations, including Counter Fraud Services, the Central Legal Office, Audit Scotland, the Cabinet Office, Department for Work and Pensions, the Home Office, Councils, the Police and the Procurator Fiscal/Crown Office to combat fraud.
- 6.2 NHS Orkney will agree formal partnership agreements with other investigative bodies e.g. Counter Fraud Services and , where appropriate, engage in joint investigations and prosecutions.
- 6.3 The Cabinet Office on behalf of Audit Scotland assists appointed auditors by conducting a National Fraud Initiative which is a data matching exercise. Data matching involves comparing computer records held by one body against other computer records held by the same or another body. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it indicates that there may be an inconsistency which requires

further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. The exercise can also help bodies to ensure that their records are up to date.

6.4 Audit Scotland currently requires NHS Orkney to participate in a statutory data matching exercise under its powers in Part 2A of the Public Finance and Accountability (Scotland) Act 2000 to assist in the prevention and detection of fraud. We are required to provide particular sets of data to the Cabinet Office on behalf of Audit Scotland for matching for each exercise, and these are set out in Audit Scotland's instructions for Participants. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

6.5 Data matching in Scotland is subject to a Code of Data Matching Practice, and information on Audit Scotland's legal powers and the reasons why it matches particular information, is provided in the full text Privacy Notice.

7 Public service values

7.1 The expectation of high standards of corporate and personal conduct, based on the recognition that patients come first, has been a requirement throughout the NHS since its inception. MEL (1994) 80, "Corporate Governance in the NHS", issued in August 1994, sets out the following public service values:

Accountability: Everything done by those who work in the organisation must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

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

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

7.2 All those who work in the organisation should be aware of, and act in accordance with, the above values. In addition, NHS Orkney will expect and encourage a culture of openness between NHS bodies and the sharing of information in relation to any fraud.

8 NHS Orkney policy and public interest disclosure act

8.1 NHS Orkney is committed to maintaining an honest, open and well-intentioned atmosphere within the service. It is committed to the deterrence, detection and investigation of any fraud within NHS Orkney.

8.2 NHS Orkney encourages anyone having reasonable suspicion of fraud to

report the incident. It is NHS Orkney's policy that no staff member will suffer in any way as a result of reporting any reasonably held suspicions. For these purposes "reasonably held suspicions" shall mean any suspicions other than those which are groundless and/or raised maliciously.

- 8.3 In addition, the Public Interest Disclosure Act protects workers who legitimately report wrongdoing by employers or colleagues. The disclosure must be made in good faith and workers must have reasonable grounds to believe that criminal offences such as fraud or theft have occurred or are likely to occur. The disclosure must not be made for personal gain.

9 Instructions to staff

- 9.1 Staff who suspect improper practices or criminal offences are occurring relating to fraud, theft, bribery or corruption, should normally report these to the Fraud Liaison Officer (FLO) via their line manager, but may report directly where the line manager or Head of Department is unavailable or where this would delay reporting. If the suspected improper practice involves the Head of Department, the report should be made to a more senior officer or the nominated officer as described in 10.4 below. Managers receiving notice of such offences must report them to the nominated officer.

- 9.2 It should be noted that staff who wish to raise concerns about unprofessional behaviour or decisions, where fraud, theft, bribery or corruption are not suspected, should do so by following the guidance contained in the NHS Orkney 'Whistleblowing' policy. Following investigation of the complaint, if improper practices or criminal offences are suspected, the matter should be referred by the investigating officer, to the Fraud Liaison Officer. Any further action taken will follow the guidance contained within 'The Fraud Standards'.

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

- 9.4 Further choices for staff are:

You may use the Counter Fraud Service (CFS) Fraud Hot Line which is 0800 151628 or report your suspicions (anonymously, if desired) through the CFS Website on www.cfs.scot.nhs.uk

- 9.5 It should be added that under no circumstances should a member of staff speak or write to representatives of the press, TV, radio, other third parties or use blogs or twitter to publicise details about a suspected fraud/theft. Care needs to be taken that nothing is done which could give rise to an action for slander or libel.

- 9.6 Please be aware that time may be of the utmost importance to ensure that NHS Orkney does not continue to suffer a loss.

10 Roles and responsibilities

- 10.1 Responsibility for receiving information relating to suspected frauds and for co-ordinating NHS Orkney's response to the National fraud Initiative has been delegated to the Fraud Liaison Officer (FLO). This individual is responsible for informing third parties such as Counter Fraud Services, the Cabinet Office on behalf of Audit Scotland, Internal and External Audit or the Police when appropriate. The FLO, shall inform and consult the Chief Executive, Director of Finance, the Board Chairman and the Chairman of the Audit Committee in cases where the loss may be above the delegated limit or where the incident may lead to adverse publicity. The contact name and address of the FLO, is as follows:

Head of Finance
Garden House
Kirkwall

- 10.2 Where a fraud is suspected within the service, including the Family Health Services i.e. independent contractors providing Medical, Dental, Ophthalmic or Pharmaceutical Services, the FLO will make an initial assessment and, where appropriate, advise Counter Fraud Services (CFS) at the NHS National Services Scotland.
- 10.3 The Human Resources manager or nominated deputy, shall advise those involved in the investigation on matters of employment law and other procedural matters, such as disciplinary and complaints procedures.
- 10.4 Where the incident is thought to be subject to either local or national controversy and publicity then the Board and the Scottish Government Health Directorates should be notified before the information is subjected to publicity.
- 10.5 It is the responsibility of NHS Orkney's senior officers to ensure that their staff are aware of the above requirements and that appropriate reporting arrangements are implemented.
- 10.6 It is the responsibility of all staff to protect the assets of NHS Orkney. Assets include information and goodwill as well as property.
- 10.7 It shall be necessary to categorise the irregularity prior to determining the appropriate course of action. Two main categories exist:
- Theft, burglary and isolated opportunist offences; and
 - Fraud, bribery, corruption and other financial irregularities.

The former will be dealt with directly by the Police whilst the latter may require disclosure under the SGHD NHS Circular No. HDL (2002)23 – Financial Control: Procedure where Criminal Offences are suspected.

- 10.8 Responsibility for ensuring that recommendations from Counter Fraud Services investigation reports and from data matching exercises conducted under the National Fraud Initiative have been implemented and steps taken to ensure full compliance, has been delegated to the Counter Fraud Champion (CFC). The contact name and address of the CFC, is as follows:

Naomi Bremner
Chair: Audit Committee
E mail: naomi.bremner@nhs.net

11 **Contact points**

Relevant contact points, are as follows:

Director of Finance: Hazel Robertson
Garden House
New Scapa Road
Kirkwall
Email: hazelrobertson2@nhs.net

Fraud Liaison Officer: Derek Lonsdale
Head of Finance
Garden House
New Scapa Road
Kirkwall
Email: derek.lonsdale@nhs.net

Deputy Fraud Liaison Officer: Karina Alexander
Principal Accountant
Garden House
New Scapa Road
Kirkwall
Email: karina.alexander@nhs.net

Accountable Officer for Controlled Drugs: Chris Nicolson
Director of Pharmacy
Garden House
New Scapa Road
Kirkwall
Email: christophernicolson@nhs.net

Chief Audit Executive: Chris Brown
Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh EH3 8BL
Email: chris.brown@scott-moncrieff.com

Counter Fraud Services: www.cfs.scot.nhs.uk

National Fraud Initiative: <http://www.audit-scotland.gov.uk/our-work/national-fraud-initiative>

RESPONSE PLAN

12 Introduction

- 12.1 The following sections describe NHS Orkney's intended response to a reported suspicion of fraud/bribery/corruption or theft. It is intended to provide procedures, which allow for evidence gathering and collation in a manner that will facilitate informed initial decision, while ensuring that evidence gathered will be admissible in any future criminal or civil action. Each situation is different; therefore the guidance will need to be considered carefully in relation to the actual circumstances of each case before action is taken.

13 Reporting Fraud

- 13.1 A "nominated officer" will be appointed as the main point of contact for the reporting of any suspicion of fraud, corruption, bribery or theft. For NHS Orkney, this officer is the FLO (see 11.1). In the absence of the FLO, the Deputy will deal with the issue. For incidents involving any Executive Directors, the nominated officer shall be the Board's Chairman, contacted through the FLO.
- 13.2 The Fraud Liaison Officer shall be trained in the handling of concerns raised by staff. Any requests for anonymity shall be accepted and should not prejudice the investigation of any allegations. Confidentiality should be observed at all times.
- 13.3 All reported suspicions must be investigated as a matter of priority to prevent any further potential loss to NHS Orkney.
- 13.4 The Fraud Liaison Officer shall maintain a log of any reported suspicions. The log will document with reasons the decision to take further action or to take no further action. The log will also record any actions taken and conclusions reached. This log will be maintained and will be made available for review by Internal Audit.
- 13.5 The Fraud Liaison Officer should consider the need to inform the Orkney. NHS Board, the Chief Internal Auditor, External Audit, the Police and Counter Fraud Services, of the reported incident. In doing so, he/she should take cognisance of the following guidance:
- inform and consult the Director of Finance and the Chief Executive at the first opportunity, in all cases where the loss may exceed the delegated limit (or such lower limit as NHS Orkney may determine) or where the incident may lead to adverse publicity;
 - it is the duty of the Director of Finance to notify the Chief Executive and Chairman immediately of all losses where fraud/theft is suspected.

- Counter Fraud Services should normally be informed immediately in all but the most trivial cases.
- If fraud, bribery or corruption is suspected, it is essential that there is the earliest possible consultation with Counter Fraud Services. In any event, Counter Fraud Services should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls.
- if a criminal act of fraud, bribery or corruption is suspected, it is essential that there is the earliest possible consultation with the Police. In any event the Police should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls.
- at the stage of contacting the Police, the Fraud Liaison Officer should contact the Head of Human Resources to consider whether/when to initiate suspension of the employee pending an enquiry.

13.6 All such contact should be formally recorded in the Log.

14 Managing the investigation

14.1 The Director of Finance will appoint a manager to oversee the investigation. Normally, the manager will be an employee from Counter Fraud Services. The circumstances of each case will dictate who will be involved and when.

14.2 The manager overseeing the investigation (referred to hereafter as the “investigation manager”) should initially:

- initiate a Diary of Events to record the progress of the investigation;
- if possible, determine the nature of the investigation i.e. whether fraud or another criminal offence. In practice it may not be obvious if a criminal event is believed to have occurred. If this is established the Police, External Audit and the Chief Executive should be informed if this has not already been done.

14.3 If after initial Counter Fraud Services (CFS) enquiries it is determined that there are to be no criminal proceedings then a NHS Orkney internal investigation may be more appropriate. In this instance, all information/evidence gathered by CFS will be passed to NHS Orkney. The internal investigation will then be taken forward in line with Employment law, PIN guidelines and relevant Workforce policies such as the Management of Employee Conduct, as appropriate.

14.4 The formal internal investigation to determine and report upon the facts, should establish:

- the extent and scope of any potential loss;
- if any disciplinary action is needed;

- the criminal or non-criminal nature of the offence, if not yet established;
 - what can be done to recover losses; and
 - what may need to be done to improve internal controls to prevent recurrence.
- 14.5 This report will normally take the form of an Internal Audit Report to NHS Orkney's Audit Committee.
- 14.6 Where the report confirms a criminal act and notification to the Police has not yet been made, it should now be made.
- 14.7 Where recovery of a loss to NHS Orkney is likely to require a civil action, arising from any act (criminal or non-criminal), it will be necessary to seek legal advice through the Central Legal Office, which provides legal advice and services to NHS Scotland.
- 14.8 This report should form the basis of any internal disciplinary action taken. The conduct of internal disciplinary action will be assigned to the Head of Human Resources or delegated officer within the Directorate, who shall gather such evidence as necessary.
- 15 Disciplinary/dismissal procedures**
- 15.1 Consideration should be made in conjunction with CFS/CFC/FLO on whether/when to suspend the employee(s) who are subject to any investigation, pending the results of the investigation. This should be carried out in line with NHS Orkney's Employee Conduct Policy.
- 15.2 The disciplinary procedures of NHS Orkney have to be followed in any disciplinary action taken by NHS Orkney toward an employee (including dismissal). This may involve the investigation manager recommending a disciplinary hearing to consider the facts, consideration of the results of the investigation and making further recommendations on appropriate action to the employee's line manager.
- Where the fraud involves a Family Health Services Practitioner, the Board should pass the matter over to the relevant professional body for action.
- 16 Gathering evidence**
- 16.1 This policy cannot cover all the complexities of gathering evidence. Each case must be treated according to the circumstances of the case taking professional advice as necessary.
- 16.2 If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably from the Human Resources Department, to take a chronological record using the witness's own words. The witness should sign the statement only if satisfied that it is

a true record of his or her own words.

- 16.3 At all stages of the investigation, any discussions or interviews should be documented and where feasible agreed with the interviewee.
- 16.4 Physical evidence should be identified and gathered together (impounded) in a secure place at the earliest opportunity. An inventory should be drawn up by the investigating officer and held with the evidence. Wherever possible, replacement or new document etc. should be put into use to prevent access to the evidence. If evidence consists of several items, for example a number of documents, each one should be tagged with a reference number corresponding to the written record.

17 Interview procedures

- 17.1 Interviews with suspects should be avoided until the formal disciplinary hearing. The investigating officer should, wherever possible, gather documentary and third party evidence for the purposes of his report. If, however, an employee insists on making a statement it must be signed and dated and should include the following:

“I make this statement of my own free will, I understand that I need not say anything unless I wish to do so and that what I say may be given in evidence”.

- 17.2 Informal contact with the Police should be made at an early stage in the investigation to ensure that no actions are taken which could prejudice any future criminal case through the admissibility of evidence, etc.

18 Disclosure of loss from fraud

- 18.1 Guidance on the referring of losses and special payments is provided in CEL44 (2008). A copy of the Fraud report, in an appropriate format, must be submitted to the Scottish Government Health Directorates. External Audit should be notified of any loss as part of their statutory duties. Scottish Financial Return (SFR) 18.0 on Losses and Compensation Payments, is submitted annually to the Audit Committee and will include all losses with appropriate description within the standard categories specified by the Scottish Government Health Directorates.
- 18.2 Management must take account of the permitted limits on writing off losses for “Category 3 Boards”, as outlined in circular CEL44 (2008).

19 Police Involvement

- 19.1 It shall normally be the policy of NHS Orkney that, wherever a criminal act is suspected, the matter will be notified to the Police, as follows:

- During normal working hours, it will be the decision of the Director of Finance as to the stage that the Police are contacted. If the Director of Finance is unavailable, this decision will be delegated to the Fraud Liaison Officer;
 - Out with normal working hours, the manager on duty in the area where a criminal act is suspected, may contact the Police and is duty bound to report the matter to the Director of Finance at the earliest possible time.
- 19.2 The Fraud Liaison Officer and investigating manager should informally notify the Police of potential criminal acts, to seek advice on the handling of each investigation at an early stage in the investigation.
- 19.3 Formal notification of a suspected criminal act will normally follow completion of the investigating manager's report and formal disciplinary action. It is important that the internal report is carried out in a timely manner to avoid delaying the Police investigation.

20 Press Release

- 20.1 To avoid potentially damaging publicity to the NHS and/or the suspect, NHS Orkney should prepare at an early stage, a Press release, giving the facts of any suspected occurrence and any actions taken to date e.g. suspension. The Central Legal Office and the Police should agree the release where applicable.

21 Resourcing the investigation

- 21.2 The Director of Finance will determine the type and level of resource to be used in investigating suspected fraud. The choices available will include:
- Internal staff from within NHS Orkney
 - Human Resources Department
 - Internal Audit
 - External Audit
 - Counter Fraud Services (CFS)
 - Specialist Consultant
 - Police
- 21.2 In making a decision, the Director Finance, should consider independence, knowledge of the organisation, cost, availability and the need for a speedy investigation. Any decision must be shown in the Log held by the Fraud Liaison Officer. A decision to take "No action" will not normally be an acceptable option unless exceptional circumstances apply.
- 21.3 In any case involving a suspected criminal act, it is anticipated that Counter Fraud Services involvement will be in addition to NHS Orkney resources. In any case involving other suspected criminal acts, it is anticipated that Police involvement will be in addition to NHS Orkney resources.

22 The law and its remedies

22.1 Criminal Law

The Board shall refer all incidences of suspected fraud/criminal acts to Counter Fraud Services or the Police for decision by the Procurator Fiscal as to any prosecution.

22.2 Civil Law

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

Annex 1 to this policy gives guidance to staff on the action which should be taken in all cases where misappropriation of medicines is suspected.

MISAPPROPRIATION OF MEDICINES

1 Background and purpose

- 1.1 Probity is one of the three public service values, which underpin the work of the NHS. There is a requirement for absolute honesty when dealing with the assets of the NHS. Medicines are one such asset.

Medicines are widely used throughout the NHS in the treatment of patients. Healthcare staff, who have access to medicines, are given access for the purpose of patient care in accordance with their individual professional role. The majority of healthcare staff discharge this responsibility without incident.

However, the opportunity to abuse this privilege is omnipresent and experience confirms that individual staff have removed medicines that belong to the NHS, or to patients, for their own personal use. While not a common occurrence, the increasing problem of drug misuse and dependence within the wider population, increases the risk of this occurring.

- 1.2 The purpose of this annex, is to ensure that all healthcare staff understand the implications associated with the misappropriation of medicines for personal use, or for other purposes.

2 Scope

- 2.1 All staff including all Healthcare Practitioners employed by NHS Orkney (includes doctors, nurses, pharmacists, other healthcare staff and all support staff).

- 2.2 Includes all medicines:

- medicines stored in pharmacy departments;
- medicines stored in wards and departments
- medicines belonging to patients
- medicines being processed for destruction

The fraudulent use of prescriptions and other controlled stationery is also covered.

- 2.3 While the policy does not directly apply to staff employed within the independent contracted services, the principles associated with the high level of honesty required by staff, who have access to medicines, and other NHS resources, are equally applicable.

3 Policy statement

- 3.1 Medicines belong to the NHS or named patients and misappropriation, for personal or other purposes, is theft.
- 3.2 Theft of medicines constitutes gross misconduct and will be managed according to the employee conduct policy of NHS Orkney.
- 3.3 Where misappropriation of medicines is proven the police and the relevant professional organisation will be informed.
- 3.4 Theft of medicines is a serious criminal offence under the Medicine Act 1968, the Misuse of Drugs Act 1971 and other legislation.

4 Responsibilities

- 4.1 The Accountable Officer for Controlled Drugs (CDs) is responsible for ensuring the safe management and use of CDs, including the assessment and investigation of concerns. The UK Health Act 2006 and the Controlled Drugs (Supervision of Management and Use) Regulations 2013 set out Accountable Officers responsibilities. In NHS Orkney, the Director of Pharmacy has been appointed as the Accountable Officer for CDs.
- 4.2 The Director of Pharmacy is responsible for ensuring that systems are in place to ensure the security of medicines across NHS Orkney.
- 4.3 The local Head of Pharmacy is responsible for ensuring the security of medicines within a designated pharmacy department.
- 4.4 The Appointed Nurse in Charge is responsible for ensuring that the systems in place to ensure the security of medicines within a ward / department are followed. The Appointed Nurse in Charge may decide to delegate some of the duties but the responsibility always remains with the Appointed Nurse in Charge.

Where there is no nurse in the area, the recognised manager will take responsibility.

- 4.5 The Fraud Liaison Officer (FLO) is responsible for developing links with NHS Scotland Counter Fraud Services. Working with the Director of Pharmacy, the FLO will support and review the development of systems to minimise the likelihood of fraud associated with medicines.

5 Guidance regarding misappropriation of medicines

- 5.1 Medicines most vulnerable to misappropriation are those with addictive properties or those with a street value.

5.2 Misappropriation is most frequently associated with opiate containing analgesics and sedatives that are not subject to the full controls defined within the Misuse of Drugs Act 1971 for example benzodiazepines

5.3 The increased security of medicines subject to the Misuse of Drugs Act 1971, (register requirements, more secure storage, and daily stock reconciliation) make the misappropriation of fully controlled drugs difficult, but not impossible.

6 Where misappropriation of medicines is suspected

6.1 Where staff suspect that medicines are being misappropriated, they should raise the matter, in confidence, with the responsible officer in their area. The responsible officer should seek advice from their senior pharmacist.

6.2 Where staff suspect the responsible officer may be involved, they should report any concerns to a more senior officer.

6.3 The Senior Pharmacist must report all cases of suspected misappropriation of controlled drugs (Schedule 1 – 5) to the Accountable Officer. The Head of Pharmacy should be notified about suspected misappropriation of all other medicines.

6.4 Where there is no dedicated senior pharmacist or where the pharmacist may be involved, staff should report concerns directly to the Accountable Officer for Controlled Drugs or Head of Pharmacy.

6.5 The Accountable Officer for Controlled Drugs/Head of Pharmacy will liaise with the FLO and agree a course of action commensurate with the circumstances presented, which may include referring the matter to Counter Fraud Services.

6.6 The Accountable Officer or Head of Pharmacy will advise other officers of the NHS Board, as appropriate.

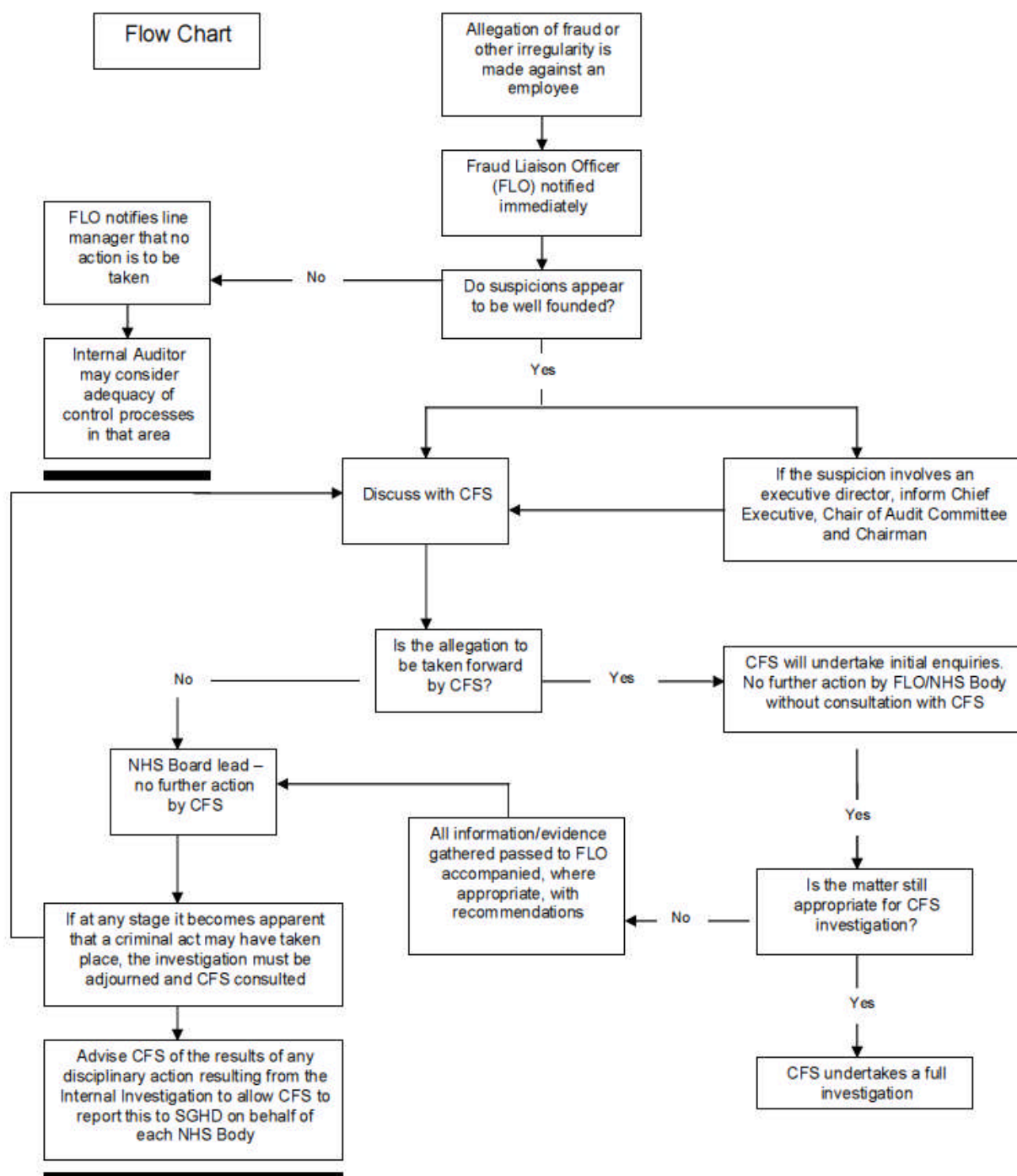
7 Incident Review

7.1 The Accountable Officer for Controlled Drugs/Head of Pharmacy and FLO will agree a course of action, which may include the setting up of an incident review panel.

7.2 Incident review panels will be small and normally comprise of a Senior Pharmacist, the Responsible Officer and a more Senior Manager in the area under consideration. Where appropriate the panel will include a nomination from Human Resources. The Human Resources representative will advise regarding staff governance and ensure that all employee conduct policies are applied fairly and equitably.

7.3 The outcome of the review panel will be documented.

PROCEDURES FOR DEALING WITH ALLEGATIONS OF FRAUD/BRIBERY/CORRUPTION/OTHER IRREGULARITIES



SECTION

E

Reservation of powers and delegation of authority

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

1. Schedule of matters reserved for Board agreement

- 1.1 Background
- 1.2 Matters Reserved for Board Agreement

2. Schedule of matters delegated to Board Executive Directors

- 2.1 Interpretation
- 2.2 Chief Executive
- 2.3 Director of Finance
- 2.4 Provisions applicable to other Executive Director of the Board

3. Delegation of powers for appointment of staff

- 1 Use of Powers
- 2 Appointment of staff
- 3 Authority to appoint
- 4 Composition of Appointment Committees
- 5 Disciplinary Procedures

1 Schedule of matters reserved for Board agreement

1.1 Background

Under the proposals contained in the NHS Circular HDL (2003) 11 'Working Towards Single System Working', Orkney NHS Board will retain its focus as a board of governance, delivering a corporate approach to collective decision making based on the principles of partnership working and devolution of powers. Local leadership will be supported by delegating financial and management responsibility as far as is possible consistent with the Board's own responsibility for governance.

Orkney NHS Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in practice.

The Board is required to ensure that it conducts a review of its systems of internal control, including in particular its arrangements for risk management, at least annually, and to report publicly on its compliance with the principles of corporate governance codes.

1.2 Matters Reserved for Board Agreement

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

- 1 Corporate Plan
- 2 Strategic, Operational and Business Plans;
- 3 Approval of Revenue and Capital Budgets;
- 4 The Code of Corporate Governance (including Standing Orders, the Scheme of Reservation of Powers and Delegation of Authority, Standards of Conduct, and Standing Financial Instructions, and amendments thereto);
- 5 The establishment, terms of reference and reporting arrangements for all sub-committees and ad hoc committees acting on behalf of the Board;
- 6 Significant items of expenditure or disposal of assets where the value exceeds (including Value Added Tax, where appropriate) – SEE CURRENT SCHEME OF DELEGATION;
- 7 Arrangements for the agreement of personnel policies;

- 8 Arrangements for financial and performance management reporting;
- 9 Approval of the Annual Report and Accounts;
- 10 Approval of the North of Scotland Planning Group Regional Planning Group Work Plans.

2 Schedule of matters delegated to Board Executive Directors

2.1 Interpretation

- Any reference to a statutory or other provision shall be interpreted as a reference as amended from time to time by any subsequent legislation.
- Any power delegated to a Chief Officer in terms of this scheme may be exercised by such officer or officers as the chief officer may authorise.

2.2 Chief Executive

2.2.1 General Provisions

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

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

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

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

2.2.2 Finance

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

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

2.2.3 Legal Matters

The Chief Executive is authorised to institute, defend or appear in any legal proceedings or any inquiry, including proceedings before any statutory tribunal, board or authority, and following consideration of the advice of the Central Legal Office, to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.

In circumstances where a claim against the Board is settled by a decision of a Court, and the decision is not subject to appeal, the Chief Executive shall implement the decision of the relevant Court on behalf of the Board.

In circumstances where the advice of the Central Legal Office is to reach an out-of court settlement, the Chief Executive may, acting together with the Director of Finance, settle claims against the Board, subject to a report thereafter being submitted to the Finance and Performance Committee.

The Chief Executive, acting together with the Director of Finance, may make ex-gratia payments, subject to the limits laid down from time to time by the Scottish Government Health Directorate.

The arrangements for signing of documents in respect of matters covered by the Property Transactions Manual shall be in accordance with the direction of Scottish Ministers. The Chief Executive and the Director of Finance are currently authorised to sign such documentation on behalf of the Board and Scottish Ministers.

The Chief Executive shall have responsibility for the safe keeping of the Board's Seal, and together with the Director of Finance and the Chair or other nominated non-executive member of the Board, shall have responsibility for the application of the Seal on behalf of the Board.

2.2.4 Procurement

The Chief Executive shall have responsibility for nominating officers or agents to act on behalf of the Board, for specifying, and issuing documentation associated with invitations to tender, and for receiving and opening of tenders.

Where post tender negotiations are required, the Chief Executive shall nominate in writing, officers and/or agents to act on behalf of the Board.

The Chief Executive, acting together with the Director of Finance, has authority to approve on behalf of the Board the acceptance of tenders, submitted in accordance with the Board's Standing Orders, in accordance with the Board's scheme of delegation.

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

2.2.5 Human Resources

The Chief Executive may appoint staff in accordance with the Board's Scheme of Delegation for the Appointment of Staff as detailed in the Code of Corporate Governance Section E 3.

The Chief Executive may, after consultation and agreement with the Director of Workforce, and the relevant Director, amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to human resource planning, approved by the Board or Staff Governance Committee.

The Chief Executive may attend and may authorise any member of staff to attend, within the United Kingdom, conferences, courses or meetings of relevant professional bodies and associations, provided that: -

- attendance is relevant to the duties or professional development of such member of staff; and

- appropriate allowance has been made within approved budgets; or
- external reimbursement of costs is to be made to the Board.

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

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

2.2.6 Patients' property

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

2.3 Director of Finance

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

2.3.1 Accountable Officer

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

2.3.2 Financial Statements

The Director of Finance is empowered to take all steps necessary to assist the Board to: -

- Act within the law and ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;
- Maintain proper accounting records; and
- Prepare and submit for audit timeous financial statements which give a true and fair view of the financial position of the Board and its income and expenditure for the period in question.

2.3.3 Corporate Governance and Management

The Director of Finance is authorised to put in place proper arrangements

to ensure that the financial position of the Board is soundly based by ensuring that the Board, its Committees, and supporting management groups receive appropriate, accurate and timely information and advice with regard to:

- The development of financial plans, budgets and projections;
- Compliance with statutory financial requirements and achievement of financial targets; and
- The impact of planned future policies and known or foreseeable developments on the Board's financial position.

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

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

2.3.4 Performance Management

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

- for planning, appraisal, authorisation and control, accountability and evaluation of the use of resources; and
- to ensure that performance targets and required outcomes are met.

2.3.5 Banking

The Director of Finance is authorised to oversee the Board's arrangements in respect of accounts held in the name of the Board with the Paymaster General's Office and the commercial bankers appointed by the Board.

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

The Director of Finance will be responsible for ensuring that the Paymaster General's Office and the commercial bankers are advised in writing of amendments to the panel of authorised signatories.

2.3.6 Patients' Property

The Director of Finance has delegated authority to ensure that detailed operating procedures in relation to the management of the property of patients (including the opening of bank accounts where appropriate) are compiled for use by staff involved in the management of patients' property and financial affairs.

2.4 Provisions Applicable to other Executive Directors of the Board

Medical Director

Director of Nursing, Midwifery and Allied Health Professions

Director of Public Health

2.4.1 General Provisions

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

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

2.4.2 Human Resources

Executive Directors may appoint staff within the delegated authority and budgetary responsibility in accordance with Standing Financial Instructions.

Executive Directors may, after consultation and agreement with the Director of Workforce, amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to human resource planning, approved by the Staff Governance Committee.

Executive Directors may attend and may authorise any member of staff to attend within the United Kingdom, conferences, courses or meetings of relevant professional bodies and associations, provided that: -

- attendance is relevant to the duties or professional development of such member of staff;
- appropriate allowance must also be contained within approved budgets; or
- external reimbursement of costs is to be made to the Board.

Executive Directors have overall responsibility within their Directorates/Departments for ensuring compliance with Health and Safety legislation, and for ensuring the effective implementation of the Board's policies.

3 Delegation of powers for appointment of staff

1 Use of Powers

- 1.1 The powers delegated are to be exercised in accordance with procedures or guidance issued by the Scottish Government Health and Social Care Directorates, or approved by the Board.
- 1.2 Procedures governing the appointment of Consultants and other medical and dental grades are contained in Statutory Instruments issued by Scottish Ministers.
- 1.3 Appointments will be made within the delegated authority and budgetary responsibility in accordance with Standing Financial Instructions. Schemes of delegation for appointment of staff will specify appointing officers and, where necessary, the composition of appointment panels.

2 Appointment of Staff

- 2.1 Canvassing of Appointing Officers or Members of the Appointment Panel directly or indirectly for any appointment shall disqualify the candidate for such appointment.
- 2.2 A Member of the Board shall not solicit for any person any appointment under the Board, or recommend any person for appointment. This, however, shall not preclude any Member from giving a written testimonial of a candidate's suitability, experience or character for submission to the Board.
- 2.3 Every Member of the Board shall disclose to the Board any known relationship to a candidate for an appointment with the Board. It shall be the duty of the Chief Executive to report to the Board any such disclosures made.
- 2.4 It shall be the duty of the Appointing Officer to disclose to their Line Manager any known relationship to a candidate for an appointment for which he or she is responsible.
- 2.5 Where a relationship of a candidate for appointment to a Member of the Board is disclosed, that Member must play no part in the appointment process.
- 2.6 Two people shall be deemed to be related if they are husband and wife,

or partners or if either of the two, or the spouse or partner of either of them is the son or grandson, daughter or granddaughter, or brother or sister, or nephew or niece, of the other, or of the spouse or partner of the other.

3 Authority to Appoint

3.1	Chief Executive	Board following confirmation that Ministers are content with report from the Appointment Panel.
3.2	Posts at Director level (other than Director of Public Health / Medical Director)	The appropriate Board Appointments Committee
3.3	Director of Public Health Medical Director Consultants	The Board on the recommendation of an Advisory Appointments Committee
3.4	Other Staff	Appointment Panel or Officer specified in the Scheme of Delegation

4 Composition of Appointment Panel / Committees

The Board shall determine the individual membership of the relevant appointment committees at the beginning of the appointment process.

4.1 Chief Executive

4.1.1 The Board Appointments Panel shall consist of:

- Chair of the Board (and Chair of the panel)
- One non-executive member
- Chair or other member of National Performance Management Committee
- One additional Chair of another Health Board
- The Director General / Chief Executive of the NHS in Scotland

4.2 Posts at Director Level (other than Medical)

The Board Appointments Committee shall consist of:

- Chair of the Board or their nominee;

- Chief Executive;
- Up to two Non-Executive Members of the Board; and
- Up to two External Assessors, one of whom shall be a representative of the Scottish Government Health and Social Care Directorates or his/her nominee, the other a representative of another NHS or local authority partner organisation.

4.3 Director of Public Health, Medical Director and Consultant Posts

The appointment is made by a Board Committee on the recommendation of an Advisory Appointments Committee, constituted in accordance with the National Health Service (Appointment of Consultants) (Scotland) Regulations 2009.

4.4 Other staff

Appointment of other staff will be in accordance with the scheme of delegation.

5 Disciplinary Procedures

The Disciplinary Procedures regarding the Board staff are contained in the Employee Conduct Policy and Procedure. In the case of Executive Members and other Directors, such procedures shall be a matter for the full Board.

It is delegated to Chief Executive to apply the terms of the Board's disciplinary procedures.

Standing Financial Instructions

This section explains how staff will control the financial affairs of NHS Orkney and ensure proper standards of financial conduct

1. Standing Financial Instructions

Index

Section	Page
1. Introduction	128
2. Responsibilities of Chief Executive as Accountable Officer	130
3. Financial Strategy, Planning and Control	136
4. Commissioning/Providing Health Care Services	139
5. Annual Report and Accounts	140
6. Banking Arrangements	142
7. Security	143
8. Income	145
9. Payment of Accounts	146
10. Construction Industry Scheme	149
11. Payment of Salaries and Wages	150
12. Travel, Subsistence and Other Allowances	153
13. Non Pay Expenditure - Procurement	154
14. Stores	162
15. Losses and Special Payments	164
16. Endowment Funds	165
17. Primary Care Contractors	168
18. Health and Social Care Integration	170
19. Patients' Property	175
20. Audit	178
21. Information Management and Technology	183
22. Fixed Assets	184
23. Management, retention and disposal of Administration Records	187
24. Risk Management and Insurance	188
25. Financial Irregularities	189
26. Bribery	191
 Annex 1 – Sponsorship Policy	 193
Annex 2 – Delegated Levels of Authority	195

1 Introduction

Made In Terms Of Regulation 4 Of The National Health Service (Financial Provisions) (Scotland) Regulations, 1974

Background

- 1.1 These Standing Financial Instructions (SFIs) are issued in accordance with financial directions issued by the Scottish Government Health and Social Care Directorates (Scottish Government) under National Health Service statutes and circulars. The SFIs are in accordance with the [Scottish Public Finance Manual](#). Their purpose is to provide a sound basis for the control of NHS Orkney's financial affairs. They have effect as if incorporated in the Standing Orders of Orkney NHS Board (the Board). The SFIs should be used along with the Scheme of Delegation.
- 1.2 The purpose of such a scheme of control is:
- To ensure that NHS Orkney acts within the law and that financial transactions are in accordance with the appropriate authority
 - To ensure that financial statements, give a true and fair view of the financial position of NHS Orkney expenditure and income, and are prepared in a timely manner
 - To protect NHS Orkney against the risk of fraud and irregularity
 - To safeguard NHS Orkney's assets
 - To ensure proper standards of financial conduct
 - To ensure that NHS Orkney seeks Best Value from its resources, by making arrangements to pursue continuous improvement, economy, efficiency and effectiveness in its operations
 - To ensure that delegation of responsibility is accompanied by clear lines of control accountability, and reporting arrangements.
- 1.3 NHS Orkney will exercise financial supervision and control by:
- Formulating a financial strategy
 - Requiring the submission of financial estimates
 - Authorising budgets
 - Approving the specification of finance systems, feeder systems and procedures
 - Designing, implementing and supervising systems of internal control including the separation of duties, and the need to obtain value for money and Best Value
 - Defining specific responsibilities of officers
 - Providing financial advice to the Board and employees.

Compliance

- 1.4 The Chief Executive is accountable to the Board, and as Accountable Officer, to the Scottish Minister, for ensuring that the Board meets its obligation to perform within the available financial resources and in line with Best Value. The Chief Executive has executive responsibility to the Chairman and Board for NHS Orkney activities, the system of internal control, and ensuring that financial obligations and targets are met.
- 1.5 The Director of Finance will assist the Chief Executive to ensure that SFIs are in place, up to date and observed in NHS Orkney. The responsibilities of the Director of Finance may also be carried out by the Head of Finance.
- 1.6 Members, officials and agents of NHS Orkney, including, but not limited to, local authority employees working in joint health and social care projects, must observe these SFIs. Executive Directors will ensure that the SFIs are made known within the services for which they are responsible and ensure that they are adhered to. All employees must protect themselves and the Board from allegations of impropriety by seeking advice from their line manager, whenever there is doubt as to the interpretation of the Standing Orders, Scheme of Delegation, and SFIs. If there are any difficulties in interpretation or application of these documents, the advice of the Director of Finance should be sought.
- 1.7 All members of the Board and staff have a duty to disclose non compliance with SFI's to the Director of Finance as soon as possible. Breaches will be reported as part of the Board's Incident Reporting process. Minor, isolated and unintentional non compliance will be reviewed by the Director of Finance. For significant breaches, full details, and a justification will be reported to the Audit Committee. Failure to comply with SFIs may result in disciplinary action.
- 1.8 Where these SFIs place a duty upon any person, this may be delegated to another person, as documented in the Scheme of Delegation and approved by the Director of Finance.
- 1.9 Employees must not:
 - Abuse their official position for the personal gain or to the benefit of their family or friends
 - Undertake outside employment that could compromise NHS duties
 - Advantage or further their private business or interest in the course of their official duties.
- 1.10 Nothing in these SFIs shall override any legal requirement or Ministerial Direction placed upon NHS Orkney, its members or officers.

2 Responsibilities of Chief Executive as Accountable Officer

- 2.1 Under [Sections 14 and 15](#) of the Public Finance and Accountability (Scotland) Act 2000 (the PFA Act), the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of the Board as Accountable Officer. All references to the masculine gender in these SFIs shall be equally applicable to the feminine gender.
- 2.2 Accountable Officers must comply with the terms of the Memorandum to Accountable Officers for Other Public Bodies, and any updates issued to them by the Principal Accountable Officer for the Scottish Government. [The Memorandum was updated in April 2012.](#)
- 2.3 **General Responsibilities**
- 2.3.1 The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances of NHS Orkney, ensuring that resources are used economically, efficiently and effectively. The Accountable Officer must ensure that the Board takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.
- 2.3.2 It is incumbent upon the Accountable Officer to combine his duty as Accountable Officer with his duty to the Board to whom he is responsible, and from whom he derives his authority. The Board is in turn responsible to the Scottish Parliament in respect of its actions and conduct.
- 2.3.3 The Accountable Officer has a personal duty to sign the Annual Accounts of the Board. Consequently, he may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament, and be expected to deal with questions arising from the Accounts, or, more commonly, from reports made to Parliament by the Auditor General for Scotland.
- 2.3.4 The Accountable Officer must ensure that arrangements for delegation promote good management, and that he is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services. He must ensure that staff are as conscientious in their approach to costs not borne directly by their component organisation (such as costs incurred by other public bodies) as they would be were such costs directly borne.

2.4 Specific Responsibilities

The Accountable Officer must:

- Ensure that proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes
- Sign the Accounts and the associated governance statement, and in doing so accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by Scottish Ministers
- Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manual, as well as in the form prescribed for published Accounts
- Ensure that the public funds for which he is responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official
- Ensure that the assets for which he is responsible, such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate
- Ensure that, in the consideration of policy proposals relating to expenditure, or income, for which he has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where necessary brought to the attention of the Board
- Ensure that any delegation of authority is accompanied by clear lines of control and accountability, together with reporting arrangements
- Ensure that procurement activity is conducted in accordance with the requirements in the [Procurement section](#) of the Scottish Public Finance Manual
- Ensure that effective management systems appropriate for the achievement of the Board's objectives, including financial monitoring and control systems have been put in place

- Ensure that risks, whether to achievement of business objectives, regularity, propriety, or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them
- Ensure that arrangements have been made to secure [Best Value](#) as set out in the Scottish Public Finance Manual
- Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes or performance in relation to those objectives
- Ensure managers at all levels are assigned well-defined responsibilities for making the best use of resources (both those assumed by their own commands and any made available to organisations or individuals outside NHS Orkney) including a critical scrutiny of output, outcomes and value for money
- Ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

2.5 Regularity and Propriety of Expenditure

- 2.5.1 The Accountable Officer must ensure that the Board achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by Scottish Ministers (in particular the [Scottish Public Finance Manual](#)) and the framework document defining the key roles and responsibilities which underpin the relationship between the body and the Scottish Government. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.
- 2.5.2 All actions must be able to stand the test of parliamentary scrutiny, public judgement on propriety and professional codes of conduct. Care must be taken not to misuse an official position to further private interests, and to avoid actual, potential, or perceived conflicts of interest.

2.6 Advice to the Orkney NHS Board

- 2.6.1 In accordance with [section 15\(8\)](#) of the PFA Act the Accountable Officer has particular responsibility to ensure that, where he considers that any action that he is required to take is inconsistent with the proper performance of his duties as Accountable Officer, he obtain written authority from the Board and send a copy of this as soon as possible to

the Auditor General. A copy of such written authority should also be sent to the Clerk to the Public Audit Committee. The Accountable Officer should ensure that appropriate advice is tendered to the Board on all matters of financial propriety and regularity and on the economic, efficient and effective use of resources. He will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to his own duty as Accountable Officer to seek written authority and notify the Auditor General and the Public Audit Committee.

- 2.6.2 The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness.
- 2.6.3 If the Accountable Officer considers that, despite his advice to the contrary, the Board is contemplating a course of action which he considers would infringe the requirements of financial regularity or propriety, or that he could not defend as representing value for money within a framework of Best Value, he should set out in writing the objection to the proposal and the reasons for this objection. If the body decides to proceed, he should seek written authority to take the action in question. In the case of a body sponsored by the Scottish Government, the sponsor unit should be made aware of any such request in order that, where considered appropriate, it can inform the relevant Portfolio Accountable Officer and Cabinet Secretary / Minister. Having received written authority he must comply with it, but should then, without undue delay, pass copies of the request for the written authority and the written authority itself to the Auditor General and the Clerk to the Public Audit Committee.
- 2.6.4 If because of the extreme urgency of the situation there is no time to submit advice in writing to the Board in either of the eventualities referred to in paragraph 2.6.3 before the Board takes a decision, he must ensure that, if the Board overrules the advice, both his advice and the Board's instructions are recorded in writing immediately afterwards.
- 2.6.5 The Accountable Officer must ensure that his responsibilities as Accountable Officer do not conflict with those as a Board member. He should vote against any action that he cannot endorse as Accountable Officer, and in the absence of a vote, ensure that his opposition as a Board member, as well as Accountable Officer is clearly recorded. It will not be sufficient to protect his position as a Board member merely by abstaining from a decision which cannot be supported.

2.7 Appearance before the Public Audit Committee

- 2.7.1 Under [section 23 of the PFA Act](#) the Auditor General may initiate examinations into the economy, efficiency and effectiveness with which relevant bodies have used their resources in discharging their functions. The Accountable Officer may expect to be called upon to appear before the Public Audit Committee to give evidence on reports arising from any such examinations involving the Board. He will also be expected to answer the questions of the Committee concerning resources and accounts for which he is Accountable Officer and on related activities. He may be supported by other officials who may, if necessary, join in giving evidence or the Committee may agree to hear evidence from other officials in his absence.
- 2.7.2 He will be expected to furnish the Committee with explanations of any indications of weakness in the matters covered by paragraphs 2.7.1 above, to which their attention has been drawn by the Auditor General or about which they may wish to question him.
- 2.7.3 In practice, he will have delegated authority widely, but cannot on that account disclaim responsibility. Nor, by convention, should he decline to answer questions where the events took place before his designation.
- 2.7.4 He must make sure that any written evidence or evidence given when called as a witness before the Public Audit Committee is accurate. He should also ensure that he is adequately and accurately briefed on matters that are likely to arise at the hearing. He may ask the Committee for leave to supply information not within his immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committee has contained errors, he should let this be made known to the Committee at the earliest possible moment.
- 2.7.5 In a case where he was overruled by the Board on a matter of propriety or regularity, his advice would be disclosed to the Committee. In a case where he was overruled by the Board on the economic, efficient and effective use of resources he should be ready to discuss the costs, benefits and risks of options considered and explain the reasoning for the decision taken. He may also be called upon to satisfy the Committee that all relevant financial considerations were brought to the Board's attention before the decision was taken.

2.8 Absence of Accountable Officer

- 2.8.1 The Accountable Officer should ensure that he is generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, a senior officer is identified to act on his behalf if required.

- 2.8.2 In the event that the Accountable Officer would be unable to discharge his responsibilities for a period of four weeks or more, NHS Orkney will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending his return.
- 2.8.3 Where an Accountable Officer is unable by reason of incapacity or absence to sign the Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

3 Financial Strategy and Planning

- 3.1 The Chief Executive is responsible for leading an inclusive process, involving staff and partner organisations, to compile and secure approval of the Local Delivery Plan (LDP) for NHS Orkney by the Board. The LDP will include:
- The significant assumptions on which the plan is based
 - Details of major changes in workload, delivery of services or resources required to achieve the plan
 - Action points from the community planning partnership
 - Health care plans covering primary and secondary services provided by NHS Orkney
 - Regional dimension of healthcare and scope for sharing resources with partners.
- 3.2 By concisely describing the health and healthcare issues facing Orkney, setting out succinctly how these will be tackled and by whom, and by setting priorities, milestones, quantified improvements and targets, the LDP will help to secure understanding of health issues, a shared approach to taking action, and commitment to achieving results.
- 3.3 The Director of Finance, is responsible for the annual preparation of a 3-5 year Financial Plan. In addition, the LDP and Financial Plan will be informed by and supported by a Workforce Plan. All service developments must be supported by a business case typically approved by the Management Team. The template business case should be used, which is available on the intranet.
- 3.4 The Financial Plan will comprise both revenue and capital components, and will be compiled within available resources, as determined by the Revenue Resource Limit and Capital Resource Limit as notified or indicated by Scottish Government, and forecast for future years.
- 3.5 The LDP including the Financial Plan will be submitted to the Management Team for detailed scrutiny and risk assessment, following which the Finance and Performance Committee will consider and recommend approval of the LDP, including the Financial Plan and Workforce Plan, by the Board.
- 3.6 The Financial Plan will include the financial planning returns which the Director of Finance will prepare and submit to the Scottish Government.

Control

- 3.7 The Director of Finance will ensure that adequate financial and statistical systems are in place to monitor and control income and expenditure, and to prepare financial plans, estimates and investigations as required.
- 3.8 The Director of Finance will devise and maintain a system of budgetary control. The Board and Management Team will empower officers to engage staff, incur expenditure and collect income. All officers will comply with the requirements of the system of budgetary control. The system will include the reporting of (and investigation into) financial, activity or workforce variances from budget. The Director of Finance will provide information and advice to enable the Chief Executive and delegated officers to carry out their budgetary responsibilities.
- 3.9 The Chief Executive may, within limits approved by the Board, delegate authority for a budget or a part of a budget to an individual or group of officers. The terms of delegation confers individual and group responsibilities for control of expenditure, virement of budgets, achievement of planned levels of service and regular reporting on the discharge of delegated functions to the Chief Executive. Responsibility for overall budgetary control remains with the Chief Executive.
- 3.10 Except where approved by the Chief Executive (taking account of advice of the Director of Finance) budgets will only be used for the purpose for which they were provided. Any budgeted funds not required for their designated purpose will revert to the control of the Chief Executive, unless covered by delegated powers of virement. The Director of Finance will issue procedural guidance on powers of virement.
- 3.11 Expenditure for which no provision has been made in an approved budget can only be incurred after authorisation by the Chief Executive or Director of Finance, subject to their delegated limit. Delegated authority to approve individual items of expenditure, is undernoted, provided that approval remains within Revenue and Capital Budgets:
- The Finance and Performance Committee can approve individual items up to £1,000,000 in any one instance
 - The Chief Executive, acting together with the Director of Finance, can approve individual items up to £500,000 in any one instance.

This includes virement between budgets, including from reserves.

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

- 3.13 There is a duty for the Chief Executive, and all employees not to exceed approved budgetary limits.
- 3.14 The Chief Executive will negotiate funding for the provision of services in accordance with the LDP and establish arrangements for cross boundary treatment of patients. The Chief Executive will take advice from the Director of Finance regarding:
- Costing and pricing of services
 - Payment terms and conditions
 - Arrangements for funding in respect of patients from outwith Orkney, and for the funding of the treatment of Orkney residents other than by NHS Orkney.
- 3.15 The Chief Executive is responsible for negotiating agreements for the provision of support services to/from other NHS bodies.

Reporting

- 3.16 The Chief Executive will report on material variances arising from inability to action, or delay in implementation of projects approved by the Board, and will advise the Finance and Performance Committee on the use of such funds. The Committee will report as appropriate to the Board.
- 3.17 The Director of Finance will compile a monthly Financial Report for the Management Team.
- 3.18 The Director of Finance will produce a regular Financial Report for the Finance and Performance Committee and the Board. This report will highlight significant variances from the Financial Plan, and the forecast outturn position, and will recommend proposed corrective action.
- 3.19 The Director of Finance has right of access to all budget holders on budgetary and financial performance matters.

4 Commissioning / Providing Healthcare Services

- 4.1 The Chief Executive, with the Director of Finance, will ensure that:
- Services required or provided are covered by agreements
 - Adequate funds are retained for services without agreements
 - Total costs of services are affordable within the Financial Plan, and Revenue and Capital Resource Limits set by Scottish Government.
- 4.2 The Chief Executive will ensure that service agreements are placed with due regard to the need to achieve Best Value. The Chief Executive, Director of Finance or Medical Director will agree service agreements for health care purchases.
- 4.3 The Director of Finance will establish robust financial arrangements for treatment of Orkney residents by other NHS bodies, or the private sector.
- 4.4 The Director of Finance will raise and pay service agreement invoices in accordance with the agreed terms, and national guidance.
- 4.5 The Caldicott Guardian will ensure that systems maintain confidentiality of patient information as set out in the [Data Protection Act 1998](#) and [Caldicott guidance](#).
- 4.6 All service agreements should support the agreed priorities within the LDP. The Chief Executive should take into account:
- Standards of service quality expected including patient experience
 - Relevant national service framework (if any)
 - Provision of reliable information on cost and volume of services
 - Requirement for service agreements to be based on integrated care pathways.

5 Annual Report and Accounts

- 5.1 NHS Orkney is required under [Section 86\(3\)](#) of the National Health Service (Scotland) Act 1978 to prepare and submit Annual Accounts to Scottish Ministers.
- 5.2 Scottish Ministers issue Accounts Directions in exercise of the powers conferred by [Section 86\(1\)](#).
- 5.3 Annual Accounts will be prepared:
- In accordance with the edition of the Government Reporting Manual ([FReM](#)) issued by HM Treasury, which is in force for the year in which the statement of accounts is prepared
 - In accordance with the Accounts Direction and Accounts Manual issued by Scottish Government
 - In line with required format, disclosures and accounting standards.
- 5.4 The Director of Finance will maintain proper accounting records which allow the preparation of Accounts, in accordance with the timetable laid down by Scottish Government.
- 5.5 Accounts will be prepared to an acceptable professional standard, in accordance with appropriate regulatory requirements and will be supported by appropriate accounting records and working papers.
- 5.6 The Auditor General for Scotland will appoint the External Auditor for the statutory audit of NHS Orkney.
- 5.7 The Director of Finance will agree with the External Auditor a timetable for the production, audit, adoption by the Board and submission of Accounts to the Auditor General for Scotland and Scottish Government.
- 5.8 The Chief Executive will prepare a Governance Statement, and in so doing will seek assurances, including that of the Chief Internal Auditor, with regard to the adequacy of internal control throughout NHS Orkney.
- 5.9 The Accounts will be reviewed by the Audit Committee, which is responsible for recommending adoption by the Board.
- 5.10 Following approval of the Accounts by the Board, the Accounts will be signed on behalf of the Board and submitted to the External Auditor for completion of the audit certificate.
- 5.11 Signed Accounts will be submitted by NHS Orkney to Scottish

Government, and by the External Auditor to the Auditor General for Scotland.

- 5.12 Accounts must not be placed in the public domain, prior to being formally laid before Parliament.
- 5.13 The National Health Service (Scotland) Act 1978 prescribes that public meetings should be held to present the Accounts. The Annual Review process provides the opportunity to fulfil this requirement. NHS Orkney should make this information as publicly accessible as possible and may choose to do so through the website or other public events.

Annual Report

- 5.14 The Chief Executive will arrange for the production and circulation of an Annual Report in the form determined by the Scottish Government. The principal purpose of the Annual Report is to account to the community and to other stakeholders for key aspects of performance during the year, and to give an account of the stewardship of funds.
- 5.15 The Annual Report does not need to include summary financial information, provided the Annual Report refers to the Accounts. Disclosure requirements must be agreed with the External Auditor.
- 5.16 The Annual Report will be published no later than two months after the Annual Review.

6 Banking Arrangements

- 6.1 All arrangements with NHS Orkney's bankers and the Government Banking Service will be made under arrangements approved by the Director of Finance who is authorised to operate bank accounts as necessary. The Director of Finance will report to the Board on the details of all accounts, including conditions on which they are operating.
- 6.2 All funds will be held in accounts in the name of NHS Orkney, or the Endowment Fund. The Director of Finance will advise the bankers in writing of the conditions under which each account will operate, including prompt notification of the cancellation of authorisation to draw on NHS Orkney accounts.
- 6.3 The Director of Finance will nominate, for each bank account, the officers authorised to release monies from each account. The Director of Finance will notify the bank promptly of any changes to the authorised signatories.
- 6.4 All cheques will be crossed with "Not Negotiable - Account Payee Only" and must be treated as controlled stationery in the charge of a designated officer controlling their issue. Two signatures are required on cheques.
- 6.5 All cheques, postal orders, cash etc, will be banked intact promptly, to the main account (or, if appropriate, endowment fund deposit account - see Section 16). Disbursements must not be made from cash.
- 6.6 The Director of Finance will make arrangements for:
- Receipt and payment of monies using the Clearing Houses Automated Payment System (CHAPS) and the Bankers Automated Clearing Services (BACS)
 - Payments to be made by Standing Order or Direct Debit
 - The use of credit cards
 - Payments to be made to foreign bank accounts.

7 Security

Security of cash and negotiable instruments

- 7.1 All receipt books, tickets, agreement forms, or other means of officially acknowledging or recording amounts received or receivable will be in a form approved by the Director of Finance. Such stationery will be ordered and controlled using the same procedures as applied to cash.
- 7.2 All officers, whose duty it is to collect or hold cash, will be provided with a safe or a lockable cash box (which in turn must be deposited in a locked cupboard). The officer will hold one key. The loss of a key must be reported immediately to the Fraud Liaison Officer. The Director of Finance will, on receipt of a satisfactory explanation, authorise release of a duplicate key. The Director of Finance will arrange for all new keys to be dispatched directly to him from the manufacturers and will maintain a register of authorised holders of safe keys.
- 7.3 The safe key-holder must not accept unofficial funds for depositing in his safe unless in sealed envelopes or locked containers. NHS Orkney is not liable for any loss and written indemnity must be obtained from the organisation or individual absolving NHS Orkney from responsibility.
- 7.4 During the absence of the holder of a safe or cash box key, the officer who acts in his place will be subject to the same controls. Transfer of responsibilities for the safe and/or cash box contents will be written and a signed copy of the document must be retained.
- 7.5 Cash, cheques, postal orders and other forms of payment will be counted by two officers, neither of whom should be the Cashier, and will be entered in the cash collection sheet, which must be signed by both. The remittance will be passed to the Cashier, and signed for.
- 7.6 The opening of coin-operated machines (including telephones) and the counting and recording of the takings in the register must be undertaken by two officers and the coin-box keys will be held by a nominated officer. Takings will be passed to the Cashier and a signature will be obtained.
- 7.7 The Director of Finance will prescribe the system for transporting of cash and uncrossed pre-signed cheques.
- 7.8 All unused cheques, receipts and all other orders will be subject to the same security as applied to cash: bulk stocks of cheques will be retained by the banker and released only against authorised requisitions.
- 7.9 All Prescription Pads in Primary Care will be subject to the same security

and controls as cash.

- 7.10 In all cases where officers receive cash, cheques, credit or debit card payments, empty telephone or other machine coin boxes etc, personal identity cards must be displayed prominently. Staff will be informed in writing on appointment, by their line manager, of their responsibilities and duties for the collection, and handling of cash and cheques.
- 7.11 Any loss or shortfall of cash, cheques etc must be reported immediately in accordance with the agreed procedure for reporting losses. (Section 15).
- 7.12 Under no circumstances should funds managed by NHS Orkney be used to cash private cheques or make loans of a personal nature.

Security of physical assets

- 7.13 The Chief Executive is responsible for the overall control of fixed assets. All employees have a duty of care over property of NHS Orkney. Senior staff will apply appropriate routine security practices. Persistent breach of agreed security practices must be reported to the Chief Executive.
- 7.14 Where practical, items of equipment will be indelibly marked as NHS Orkney property.
- 7.15 The Finance Department will maintain an up-to-date capital asset register. The Director of Finance will set out the approved form of asset register and method of updating (Section 22).
- 7.16 Items on the register will be checked at least annually and all discrepancies will be notified in writing to the Director of Finance, who may also undertake other independent checks as necessary.
- 7.18 Damage to premises, vehicles and equipment, or loss of equipment or supplies must be reported. (Section 15).
- 7.19 On the closure of any facility, a check must be carried out and the responsible officer will certify a list of items held including eventual location. The disposal of fixed assets (including donated assets) will be in accordance with Section 22.
- 7.20 On the closure of any facility a check must be carried out and a responsible officer will certify that all patient and other personally identifiable and commercially sensitive information has been removed from the facility under the NHS Orkney policy for Records Management.

8 Income

- 8.1 The Director of Finance will design and maintain systems for the proper recording, invoicing and collection of money due.
- 8.2 All officers must inform the Director of Finance of money due from transactions they initiate, including contracts, leases, tenancy agreements and any other transactions. The Director of Finance will approve Service Level Agreements or contracts with financial implications in excess of £10,000. Responsibility for agreeing the level of rental for newly acquired property and for the regular review of rental and other charges rests with the Director of Finance who may take into account independent professional advice on matters of valuation.
- 8.3 The Director of Finance will take appropriate recovery action of debts and will establish procedures for the write off of debts after all reasonable steps have been taken to secure payment. (Section 15.)

9 Payment of Accounts

- 9.1 The Director of Finance will operate a system for verification, recording and payment of all amounts payable. The system must ensure that:
- Goods have been duly received, examined, are in accordance with specification and order, are satisfactory and prices are correct
 - Work done or services rendered have been satisfactorily carried out in accordance with the order
 - Materials were of the requisite standard and charges are correct
 - For contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, rates of labour are in accordance with the order, materials have been checked as regards quantity, quality and price, and charges for the use of vehicles, plant and machinery have been examined
 - All necessary authorisations have been obtained
 - The account is arithmetically correct
 - The account is in order for payment
 - Clinical services to patients have been carried out satisfactorily in accordance with Service Level Agreements and Unplanned Activity arrangements
 - Provision is made for early submission of accounts subject to cash discounts or requiring early payment
 - VAT is recovered as appropriate
 - Payment for goods and services is only made once the goods and services are received other than under the terms of a specific contractual arrangement.
- 9.2 The Director of Finance will maintain a Scheme of Delegation. This will set out the officers authorised to manually or electronically certify invoices, non invoice payments, and payroll schedules. It will include specimen signatures, and levels of authority. Electronic authorisation must be achieved through effective access control permissions approved by the Director of Finance.

- 9.3 The Director of Finance will pay accounts, invoices and contract claims in accordance with contractual terms and/or the CBI Prompt Payment Code and the Scottish Government payment target. Payment systems will be designed to avoid payments of interest arising from non-compliance with the [Late Payment of Commercial Debts \(Interest\) Act 1998](#).
- 9.4 All officers must inform the Director of Finance promptly of all monies payable arising from transactions which they initiate, including contracts, leases, tenancy agreements and other transactions. To assist financial control, a register of regular payments will be maintained.
- 9.5 All requests for payment should, wherever possible, have relevant original orders, goods received notes, invoices or contract payment vouchers attached and will be authorised by an approved officer from the Scheme of Delegation. Purchase Order numbers should be stated on the invoice. Retrospective Purchase Orders are not allowed.
- 9.6 Where an electronic payment system has been approved the system must ensure that payment is made only for goods matched against an authorised purchase order, and goods received note.
- 9.7 Authorised signatories will ensure, before an order for goods or services is placed, that the purchase has been properly considered and forms part of the department's agreed service plans, and is within known and specific funds available to the department.
- 9.8 Any grants or similar payments to local authorities and voluntary organisations or other bodies must comply with procedures laid down by the Director of Finance.
- 9.9 Authorised signatories must ensure that there is effective separation of duties between:
- The person placing the order
 - The person certifying receipt of goods and services, and
 - The person authorising the invoice

In no circumstances should one person undertake all three functions.

- 9.10 In the case of contracts for building or engineering works which require payment to be made on account during progress of the works, the Director of Finance will make payment on receipt of a certificate from the technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, where necessary, a contractor's account will be subject to financial examination and general examination by a works

officer, before the person responsible for the contract issues the final certificate. To assist financial control, a contracts register will be maintained by procurement.

- 9.11 The Director of Finance will designate officers to authorise advances for patient travel expenses or staff travel expenses from a petty cash imprest. Limits are £25 for internal costs and £120 for patient travel.
- 9.12 Officers responsible for commissioning self employed contractors must ensure that, before any assignment is agreed, evidence is obtained from the contractor which confirms their employment status. This will ensure that NHS Orkney is not held liable for Income Tax and National Insurance by HMRC. This evidence must be submitted to the Director of Finance.
- 9.13 Advance payment for supplies, equipment or services will not normally be permitted other than for subscriptions. If exceptional circumstances arise, a proposal should be submitted to the Director of Finance.
- 9.14 Advance payments to general medical practitioners and community pharmacists will comply with NHS contractor regulations.
- 9.15 Authorised signatories are responsible for ensuring that all items due under a payment in advance contract are received and must inform the Director of Finance immediately if problems are encountered.

10 Construction Industry Scheme

- 10.1 The scheme will be administered in line with guidance supplied by HMRC in booklet [CIS340](#). Registration under the Construction Industry Scheme (CIS) is necessary where construction expenditure exceeds £1m per annum in any three year period. Before the threshold is likely to be breached, the Director of Finance should apply for registration from HMRC.
- 10.2 The Estates Department will ensure that certificates and/or vouchers are obtained from contractors/subcontractors and supplied to the Finance Department to support payment requests.
- 10.3 In the event of doubt, the Head of Finance will determine whether a payment should be made gross or net of deduction of tax and will consult with HMRC, as necessary.
- 10.4 The Director of Finance will remit to HMRC any tax deducted from payments made to sub-contractors, and must comply with the timetable set out in [CIS340](#).

11 Payment of Salaries and Wages

- 11.1 Staff can be engaged or re-graded only by authorised officers within their approved budget and establishment and through NHS Orkney's engagement procedures. Authority to fill posts forms must be completed and authorised prior to commencing recruitment. Successful grading appeals will be approved by Human Resources.
- 11.2 The Remuneration Committee will;
- Agree terms and conditions of Executive Directors
 - Approve changes to remuneration, allowances and conditions of service of Chief Executive and Executive Directors
 - Ensure arrangements are in place for the assessment of performance of Executive and senior management staff
 - Consider redundancy, early retirement or termination agreements in respect of Executive Directors
 - Approve other terms and conditions of service not covered by direction or regulation, eg Discretionary Points for Medical Staff.
- 11.3 After approval by the Remuneration Committee, the Chairman will authorise for payment the Performance Related Pay (PRP) of the Chief Executive, and the Chief Executive will authorise for payment the PRP of Executive Directors. The Chief Executive will authorise for payment the PRP of any senior managers.
- 11.4 NHS Orkney will pay allowances to the Chairman and non-executives in accordance with instructions issued by the Scottish Minister.
- 11.5 Human Resources will ensure that each employee is issued with a contract which will comply with current employment legislation and in a form approved by NHS Orkney. Human Resources will ensure that changes to, and termination of contracts are properly processed.
- 11.6 All timesheets, staff returns and other pay records and notifications will be in a form approved by the Director of Finance and must be certified and submitted in accordance with his instructions.
- 11.7 The Director of Finance will ensure payments and processes are supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

- 11.8 Authorised managers have delegated responsibility for:
- Sending a signed copy of the engagement form and other documents necessary for the payment of staff to the Payroll Department immediately upon the employee commencing duty
 - Completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance
 - Sending a notification of change form to the Payroll Department immediately the effective date of any change in employment or personal circumstances is known
 - Submitting a termination of employment form and other documents as required, for payment purposes, to the Payroll Department immediately upon the effective date of an employee's resignation, retirement or termination being known
 - Immediately advising the Payroll Department when an employee fails to report for duty in circumstances which suggest that he has left without notice.
- 11.9 Where the Human Resources and Payroll systems are connected by an electronic interface, forms may be sent to Payroll electronically, providing that procedures for transmissions are agreed by the Director of Finance.
- 11.10 Requests for early retirement or voluntary severance, for staff other than Executive Directors, which result in additional costs being borne by the employer, will be considered by the Chief Executive and Director of Finance jointly, under the Voluntary Severance Scheme.
- 11.11 The Director of Workforce and the Director of Finance will be jointly responsible for ensuring that rates of pay and relevant conditions of service are in accordance with current agreements. The Chief Executive will be responsible for the final determination of pay. The Director of Finance will issue instructions regarding:
- Verification of documentation or data
 - Timetable for receipt and preparation of payroll data and the payment of staff
 - Maintenance of records for Superannuation, Income Tax, National Insurance and other authorised deductions
 - Security and confidentiality of payroll information in accordance with the Data Protection Act
 - Checks to be applied to payroll before and after payment

- Methods of payment available to staff
- Procedures for payment of cheques, bank credits or cash to staff
- Procedures for unclaimed wages which should not be returned to salaries and wages staff
- Separation of duties of preparing records and handling cash
- Pay advances and their recovery
- A system for recovery from leavers of sums due by them
- A system to ensure recovery or write-off of payment of pay and allowances
- Maintenance of regular and independent reconciliation of adequate control accounts.

11.12 The Director of Finance will ensure salaries and wages are paid on the agreed dates, but may vary these when necessary due to special circumstances. Payment to an individual will not be made in advance of normal pay, except as authorised by the Chief Executive or Director of Finance to meet special circumstances and limited to the net pay due at the time of payment.

11.13 All employees will be paid by bank credit transfer monthly unless agreed by the Director of Finance.

12 Travel, subsistence and other allowances

- 12.1 The Director of Finance will ensure that all expense claims by employees or outside parties are reimbursed in line with regulations and Human Resources policies, and that all such claims will be supported by receipts wherever possible. Removal expenses will be limited to the amount specified by HMRC as being tax free (currently £8000), except with the express approval of the Remuneration Committee, and in accordance with NHS Orkney's Removals Policy.
- 12.2 The Director of Finance will issue guidance on submission of expense claims, specifying documentation to be used, timescales to be adhered to and required level of authorisation. All claims will be submitted to the Payroll Department duly certified in an approved form, and made up to a specified day of each month. Where this information is transmitted by electronic means, appropriate procedures will be agreed by the Director of Finance. The names of officers authorised to sign claims will be held by the Payroll Department, together with specimen signatures and will be maintained in conjunction with the overall Scheme of Delegation.
- 12.3 No officer can certify their own expenses. Hotel accommodation and taxi fares should be paid by the officer and not invoiced to the board directly. The exceptions to this would be accommodation provided as part of a training course or where specific arrangements have been agreed with the Director of Finance. Pre-authorisation must exist for all off-island travel and expenses.
- 12.4 The Chairperson will authorise all expense claims from the Chief Executive. The Chief Executive will authorise all claims from Executive Members of the Board. The Chairperson will authorise all claims from Non-Executives. In the absence of the Chairperson, this will be undertaken by the Chief Executive or Director of Finance.
- 12.5 Certification means that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and evidenced, and that the allowances are properly payable.
- 12.6 Claims submitted more than three months after the expenses were incurred will be paid only if approved by the Director of Finance, who will only authorise payment where there is an appropriate justification for the delay and it is an isolated occurrence.. All claims received later than six months following the month of the claim will be time barred.

13 Non pay expenditure – Procurement

Introduction

- 13.1 The purpose of this SFI is to set clear rules for the procurement of goods, works and services for NHS Orkney. The rules should ensure that NHS Orkney is fair and accountable in dealings with contractors and suppliers.
- 13.2 This SFI:
- Sets out thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained
 - Incorporates the thresholds in the Scheme of Delegation
 - Provides procedural instructions and guidance incorporating the thresholds on the obtaining of goods, works and services.

Procurement Tenders and Contracts

- 13.3 The SFIs specify arrangements for placing of contracts and purchase of supplies and equipment. Procurement must be in line with the principles in [CEL 5 \(2012\)](#) and NHS Orkney's Procurement Strategy.
- 13.4 Scottish Government and European Union Procurement Directives will have effect as if incorporated into these SFIs.
- 13.5 When appropriate, Scottish Government terms and conditions should be used when contracting with suppliers. The current versions are available from procurement.
- 13.6 All departments must seek to obtain Best Value through the application of SFIs and procurement procedures. In the case of uncertainty advice should be sought from procurement.
- 13.7 NHS Orkney will comply as far as is practicable with the [Scottish Capital Investment Manual](#), [Capital Accounting Manual](#) and other Scottish Government guidance on contracting and purchasing.

Formal Competitive Tendering

- 13.8 NHS Orkney will ensure that competitive tenders are invited for the purchase of all goods and services and for disposals in line with the thresholds identified in the invitation to tender section below. Equipment and assets over £5,000 (including VAT) are funded by capital and must be approved by the Medical Equipment Group before

commencing procurement activity.

- 13.9 Where NHS Orkney elects to invite tenders for the supply of healthcare services these SFIs will apply to the tendering procedure.
- 13.10 Formal tendering procedures may be waived only with the approval of the Director of Finance.
- 13.11 Where formal tendering procedures have been waived, Best Value should be demonstrated and quotations sought.
- 13.12 Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented. [Procurement SFI Waiver Form](#)

Invitation to Tender

- 13.13 All purchases in excess of the [OJEU thresholds](#) currently £106,047 (exclusive of VAT) for services, and £4,104,394 (exclusive of VAT) for construction contracts, whether as an individual purchase or series of purchases of the same or similar item over a period of time, must be advertised in the Official Journal of the European Union (OJEU) through the [Public Contract Scotland Procurement Portal](#).
- 13.14 All purchases of a value in excess of £50,000 (exclusive of VAT), whether as an individual purchase or series of purchases of the same item over a period of time, must be advertised through the [Public Contract Scotland Procurement Portal](#).
- 13.15 When the value of a purchase is less than £50,000 (exclusive of VAT) suppliers who are invited to tender (and where appropriate, quote) should be on approved lists or meet qualifying requirements. The quick quote system, on the [Public Contracts Scotland Procurement Portal](#), should be used for purchases over £10,000.
- 13.16 All invitations to tender on a formal competitive basis must state that no tender will be considered for acceptance unless submitted electronically through the [Public Contract Scotland Procurement Portal](#).
- 13.17 Where NHS Orkney has opted to procure building, engineering and maintenance work under [Frameworks Scotland](#) or Hub Initiative, [HubCo](#) will be commissioned and further tendering will not be required. The Director of Finance will ensure that Best Value for money is delivered by these projects.

13.18 For other contracts:

- Every tender for building and engineering works (except for maintenance work only where Estate code guidance should be followed) will be in the terms of the current edition of the appropriate [Joint Contracts Tribunal](#) standard forms of contract
- When the content of the works is primarily engineering, tenders shall embody or be in the terms of the [General Conditions of Contract](#) recommended by the Institutions of Mechanical Engineers, Electrical Engineers and the Association of Consulting Engineers
- Or in the case of civil engineering work, the [General Conditions of Contract](#) recommended by the Institution of Civil Engineers.

Standard forms of contract should be amended to comply with [SCIM](#). These documents may be further amended in minor respects to cover special features of individual projects. These amendments will be subject to approval by procurement and the Director of Finance. Tendering based on other forms of contract can be undertaken only after consultation with the Scottish Government.

13.19 Every tender for goods, materials, services (including consultancy services) or disposals will apply NHS standard contract conditions as far as this is practical. The advice of NHS Orkney procurement, NHS National Procurement or the Central Legal Office must be sought where alternative contract conditions are used.

13.20 Every tenderer must have given or give a written undertaking not to engage in collusive tendering or other restrictive practice.

Receipt and Acceptance of Formal Tenders

13.21 All tenders will be stored electronically on the [Public Contracts Scotland Procurement](#) Portal.

13.22 The permanent record within the [Public Contract Scotland Procurement](#) Portal will show for each set of competitive tender invitations:

- Names of firms/individuals invited/noted interest
- Names of and the number of firms/individuals from which tenders have been received
- Total price(s) tendered
- Closing date and time
- Date and time of opening.

- 13.23 If the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) the contract can only be awarded with approval of the Director of Finance.
- 13.24 Where only one tender is sought and/or received, the Director of Finance will, as far as practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for NHS Orkney.
- 13.25 Essential discussions with a tenderer about the contents of their tender, in order to clarify technical points, pricing etc, before the award of a contract, are acceptable but must be documented.
- 13.26 Where post-tender negotiation takes place the following should be observed:
- Justification for the use of post-tender negotiation
 - Agreed aims of the negotiations and the methods used
 - A record of all exchanges, both written and oral
 - Management approval for the award of contract
 - Approval of the Director of Finance.
- 13.27 Best Value in the public interest is critical within the acceptance criteria. The lowest tender may not necessarily be Best Value and this should come to light through the comparative evaluation of the bids. Reasons for not accepting the lowest tender must be recorded.
- 13.28 The evaluation process should be reasonable and transparent with all bidders treated fairly. Evaluation panel members must adhere to the code of governance regarding declaration of potential conflicts of interest. All evaluation panel members are required to sign a declaration of interest form.

Unsuccessful Tenders

- 13.29 Following completion of the tender acceptance, and having obtained confirmation from the successful tenderer of acceptance of the contract, the unsuccessful tenderers should be advised in writing that the contract has been awarded and that they have not been successful.

Single Tender

- 13.30 The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through competition.

Quotations

- 13.31 Quotations are required where formal tendering procedures are waived and within the financial limits as set out in the SFIs.
- 13.32 Where quotations are required they should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of NHS Orkney. Reasons must be documented if less than three quotations are sought or received.
- 13.33 Quotations should be in writing unless the Director of Finance or nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone/fax and e-mail. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- 13.34 All quotations should be treated as confidential and should be retained for inspection.
- 13.35 The Director of Finance or nominated officer should evaluate the quotations and select the one which gives Best Value.
- 13.36 Non-competitive quotations in writing may be obtained for the following purposes with the recorded approval of the Director of Finance where:
- The supply of goods/services of a special character for which it is not, in the opinion of the nominated officer, possible or desirable to obtain competitive quotations
 - The goods/services are required urgently.
- 13.37 With the prior agreement of the Director of Finance, quotations may be submitted through the Public Contracts Scotland Tender Mailbox.

Contracts

- 13.38 NHS Orkney may only enter into contracts within their statutory powers and will comply with:
- SFIs
 - EU Directives and other statutory provisions
 - Any relevant directions including the [SCIM](#) and guidance on the use of [Management Consultants](#)
 - Such NHS standard contract conditions as are applicable.
- 13.39 Where specific contract conditions are considered necessary by the lead officer appointed by the Chief Executive or Director of Finance, advice shall be sought from suitably qualified persons. Where this

advice is deemed to be legal advice, this must be sought from the Central Legal Office.

- 13.40 Contracts will be in the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- 13.41 In all contracts, members and officials will seek to obtain Best Value. The Chief Executive or Director of Finance will nominate an officer to oversee and manage each contract.
- 13.42 All contracts will contain standard clauses allowing NHS Orkney to:
- Cancel the contract and recover all losses in full where a company or their representative has offered, given or agreed to give, any inducement to members or officials
 - Recover losses or enforce specific performance where goods or services are not delivered in line with contract terms
 - Ensure that suitable terms are included to cover arrangements should dispute arise.
- 13.43 Members and officials must seek authority from the Chief Executive or the Director of Finance in advance of making any commitment to contracts, leases, tenancy agreements, property transactions and other commitments for which a financial liability may result but without secured funding or budget provision.
- 13.44 Procurement will maintain a contracts register. All contracts must be advised to procurement for inclusion in the contracts register.
- 13.45 The Director of Finance will ensure that the arrangements for financial control comply with the guidance contained within [SCIM](#) and [Property Transaction Handbook](#). The technical audit of these contracts is the responsibility of the Chief Executive.

Appointment of Management Consultants

- 13.46 The bespoke nature of many consultancy services and the degree of interest in the amount of public money spent on this area means that additional procedures are needed for procuring consultancy services to ensure they are used sparingly, effectively and only where their use is unavoidable to deliver business objectives. Scottish Government guidance [“Use of Consultancy Procedures \(Professional Services\)”](#) should be followed when seeking to use consultancy services.
- 13.47 If it is still not clear, advice should be sought from the procurement or finance department.

- 13.48 A business case, establishing the need for consultancy services should be completed at the outset and sent to the Director of Finance for consideration. Business cases up to £5,000 (excluding VAT) over the life of the consultancy agreement can be approved by the relevant Executive Director. Business cases in excess of £5,000 (excluding VAT) require Management Team approval.
- 13.49 Appointment of Consultants should in the first instance use National Contracts and, where this is not possible, by competitive tender. The reasons and approval for waiving the requirement to tender should be clearly documented and submitted to the Director of Finance.
[Procurement SFI Waiver Form](#)
- 13.50 Successive assignments beyond the scope and terms of an appointment made by competitive tender should also be subject to tender arrangements. If it is expected that there may be follow-on assignments, it would be more appropriate for the tendering exercise to appoint one or more Consultants under a call-off arrangement.
- 13.51 Professional advisers are defined as having two characteristics. Firstly, they are engaged on work that is an extended arm of the work done in-house and secondly they provide an independent check. Examples include professional advice on the treatment of VAT and work carried out in relation to ratings revaluations and appeals. Professional advisers fees may also relate to capital projects such as architects, surveyors, and engineers. Such fees are not exempt from normal tendering arrangements.
- 13.52 The [Property Transactions Manual](#) states that all external professional advisers, including property advisers, independent valuers and other valuers or consultants, should be appointed by competitive tender unless there are convincing and justifiable reasons to the contrary.

Official Orders (typically a “Purchase Order”)

- 13.53 Goods, services or works may only be ordered on an official order, the exceptions being purchases from petty cash or scheduled payments of a lease or existing contract – where terms are specified. Contractors will be notified that they must not accept orders unless on an official order form or processed via an approved secure electronic medium. Oral orders will be issued only by an officer designated by the Chief Executive and only in cases of emergency or urgent necessity. These will be confirmed by an official order issued no later than the next working day and clearly marked “Confirmation Order”. National and local contracts should be used where appropriate. Under no circumstances should a purchase order be used retrospectively.

- 13.54 The Director of Finance will approve and record all forms of official order whether hardcopy or electronic. Examples of these may include purchase order pads, orders generated by approved systems, such as finance and stores, pharmacy or electronic purchasing.
- 13.55 Official order/requisition forms will only be issued to and signed (signature may be replaced by electronic authorisation) by officers authorised by the Chief Executive. A list of authorised officers will be maintained by the Director of Finance.

Trials and Lending

- 13.56 Goods, eg medical equipment, must not be taken on trial or loan in circumstances that could commit NHS Orkney to a future uncompetitive purchase. An indemnity agreement must be signed by the Director of Finance.

Agencies/Locums

- 13.57 On the procuring of agency and locum staff, the Head of Services has the autonomy to negotiate a rate of pay within an agreed limit set by the Director of Workforce and Director of Finance. The Head of Services needs to keep within their overall delegated resource limit unless prior approval has been provided from the Director of Finance or Chief Executive Officer.

14 Stores

- 14.1 The Director of Finance is responsible for the systems of control, and the overall control of stores. The day to day control and management (except for pharmaceutical stocks) will be delegated to departmental officers for stores, subject to such delegation being entered in a record available to the Director of Finance. The day to day control and management of pharmaceutical stocks will be the responsibility of the Pharmacy Director.
- 14.2 Responsibility for security arrangements and the custody of keys for all stores locations will be defined in writing by the designated officer. Wherever practicable stocks shall be marked as NHS property.
- 14.3 All stores records will be in a form approved by the Director of Finance.
- 14.4 All goods received will be checked as regards quantity and/or weight and inspected as to quality and specifications. A delivery note should, if possible, be obtained from the supplier at the time of delivery and will be signed by the person receiving the goods. Instructions will be issued to staff covering the procedure to be adopted in cases where a delivery note is not available. Details of goods received will be entered on a goods received record or input to the computer system on the day of receipt. Where goods received are unsatisfactory or short on delivery they will be accepted only on authority of the designated officer and the supplier will be notified immediately.
- 14.5 The issue of stores will be supported by an authorised requisition. Where a “topping-up” system is used, a record will be maintained in a form approved by the Director of Finance (such a form may be electronic in place of paper). Comparisons will be made of the quantities issued, and explanations recorded of significant variations.
- 14.6 Requisitions for stock or non-stock items may be transmitted electronically and not held in paper form providing that procedures are agreed by the Director of Finance.
- 14.7 All transfers and returns will be recorded on forms provided for the purpose and approved by the Director of Finance.
- 14.8 Breakages and other losses of goods in stores will be recorded as they occur, and a summary will be approved by the Director of Finance at regular intervals. Tolerance limits will be established for all stores subject to unavoidable loss, eg shrinkage in the case of certain foodstuffs and natural deterioration of certain goods.

- 14.9 Stocktaking arrangements and the basis for valuation will be agreed with the Director of Finance and there will be a physical check covering all items in store at least once a year. The physical check will involve at least one other officer other than the storekeeper. The Director of Finance will have the right to attend, or be represented. The stocktaking records will be numerically controlled and signed by the officers undertaking the check. Any surplus or deficiency revealed on stocktaking will be reported immediately to the Director of Finance, and he may investigate as necessary.
- 14.10 Where a complete system of stores control is not justified, alternative arrangements will require the approval of the Director of Finance.
- 14.11 The designated officer will be responsible for a system approved by the Director of Finance for a review of slow-moving and obsolete items for condemnation, disposal, and replacement of all unserviceable articles. The designated officer will report to the Chief Executive any evidence of negligence or malpractice (Section 24).

15

Losses and Special Payments

- 15.1 Any officer discovering or suspecting a loss of any kind must inform his head of department, who must immediately inform the Fraud Liaison Officer. Where a criminal offence is suspected, the Fraud Policy must be applied. Any case of suspected fraud must be reported to the [Counter Fraud Service](#).
- 15.2 The Director of Finance will maintain a losses register in which details of all losses will be recorded as they are known. Write-off action will be recorded against each entry in the register.
- 15.3 Losses are classified according to the Annual Accounts Manual.
- 15.4 The Chief Executive, acting together with the Director of Finance, or any nominated deputy, can approve the writing off of losses within limits delegated by Scottish Government in [CEL 10 \(2010\)](#).
- 15.5 The exercise of powers of delegation in respect of losses and special payments will be regularly reported to the Audit Committee.
- 15.6 The Board will approve any losses and special payments when adopting the Annual Accounts.
- 15.7 Special payments exceeding the delegated limits laid down must have prior approval of the Scottish Government.
- 15.8 The Director of Finance is authorised to take any necessary steps to safeguard the interests of NHS Orkney in bankruptcies and company liquidations.
- 15.9 All articles surplus to requirements or unserviceable will be condemned or otherwise disposed of by an officer authorised by the Director of Finance. The condemning officer will satisfy himself as to whether there is evidence of negligence and will report any evidence to the Chief Executive, who will take the appropriate action.

16 Endowment Funds

- 16.1 These SFIs apply equally to the Endowment Fund of NHS Orkney with the additional control that expenditure from Endowment Funds is restricted to the purposes of the Fund and made only with the approval of the Trustees. Guidance for Endowments administration and expenditure of funds will be issued separately as the Endowments Charter. A Treasurer will be appointed to the fund.

Trustees

- 16.2 All Members of Orkney NHS Board, appointed by Scottish Ministers, are "**ex officio**" Trustees of the Endowment Fund. The Trustees have specific responsibilities including those described in [Section 66](#) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Charities Act):

- To act in the interests of the charity above all other things, including their own interests and the interests of the Board or any other organisation
- To act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person.

Transactions entered into by Trustees, which although legal but outwith the charity's objectives and thus deemed to be 'ultra vires', could lead to the trustees being personally liable for any loss incurred by the Endowment Fund.

- 16.3 Under the 2005 Charities Act, the Trustees have a responsibility to:

- Control and manage the finances of the Endowment Fund, ensuring proper accounts are kept as required by statute, regulations and reported in a form prescribed as best practice in the [Statement of Recommended Practice](#) (SORP)
- Approve the annual statement of accounts and authorise one of their members to sign the accounts
- Provide on request an up to date annual report and set of accounts in a form consistent with requirements of the Act
- Control the investment policy and monitor the performance of the investments within that policy on a regular basis
- Submit annual returns to the Office of the Scottish Charity Regulator (OSCR).

Endowments sub-committee

- 16.4 Trustees may appoint an Endowment Fund sub-committee to provide advice to Trustees in the exercise of their responsibilities.

Accounting

- 16.5 The Treasurer will ensure that annual accounts are:
- Prepared as soon as possible after the year end
 - In accordance with the [SORP](#)
 - Based on records as are necessary to record and protect all transactions on behalf of the Trustees
 - Subject to audit by a properly appointed External Auditor.
- 16.6 All gifts, donations and proceeds of fund-raising activities which are intended for Endowment Funds must be handed immediately to the Cashier, to be banked directly into the Endowment Fund.

Sources of New Funds

- 16.7 All gifts accepted will be received and held in the name of Trustees and administered in accordance with the Endowments Charter, subject to the terms of specific Funds. NHS Orkney can accept gifts only for purposes relating to the advancement of health. Officers should, in cases of doubt, consult the Director of Finance before accepting a gift.
- 16.7.1 In respect of donations, the Director of Finance will:
- Provide guidance to officers as to how to proceed when offered funds, including clarification of the donor's intentions and, where possible, the avoidance of new complex restrictions that cannot sensibly be met (in particular for specific items of equipment, brands or suppliers)
 - Provide a notification of donation process which will ensure that funds have been accepted directly into the Endowment Fund and that the donor's intentions have been noted and accepted.
- 16.7.2 The Director of Finance should be kept informed of all enquiries regarding legacies and will keep an appropriate record. After the death of a testator all correspondence concerning a legacy will be dealt with by the Director of Finance. The Director of Finance will:
- Provide guidance regarding the wording of wills, and the receipt of funds/other assets from executors
 - Obtain Confirmation of Estate, where the Board is the beneficiary

- Negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty
- Take legal advice as necessary.

16.8.3 In respect of Fund-raising, the Director of Finance will:

- Advise the Trustees on the financial implications of any proposal for fund raising activities based on the guidance contained in [MEL \(2000\)13](#)
- Give approval for fund-raising based on direction of the Trustees
- Be responsible, after taking legal advice as necessary, for alerting the Trustees to any irregularities regarding the use of the Board's name or its registration numbers.

16.7.4 In respect of investment income, the Director of Finance will be responsible for the appropriate treatment of all dividends, interest and other receipts from this source.

Investment Management

16.8 Investment policy will be determined by the Trustees, taking into account advice received from the Director of Finance and the investment advisers. Where the Board has delegated authority to its investment advisers to manage funds on its behalf they will be bound by any conditions imposed by the Board or its officers with regard to investment policy. All share and stock certificates and property deeds will be deposited with the investment managers.

Expenditure

16.9 The over-riding objective of the Endowment Fund is to support the advancement of health. All expenditure from the fund must conform to this objective. The fund must not be used to subsidise the normal running expenses of NHS Orkney or for expenditure otherwise not admissible under these SFIs.

Subject to the foregoing, expenditure is governed by the Orkney Health Board Endowment Charter.

17 Primary Care Contractors

17.1 The [Practitioner Services Division \(PSD\)](#) of the [NHS National Services Scotland](#) (NSS) is the payment agency for all Family Health Service (FHS) contractor payments:

- General Medical Services
- Prescribing/dispensing
- FHS Non-cash Limited.

17.2 The Head of Primary Care Services will:

- Ensure that systems are in place to deal with applications, resignations, and inspection of premises, within the appropriate contractor's terms and conditions of service
- Approve additions to, and deletions from, approved lists of contractors, taking into account the health needs of the local population, and the access to existing services
- Deal with all applications and resignations equitably, within time limits laid down in the contractors' terms and conditions
- Ensure that lists of all contractors, for which NHS Orkney is responsible, are maintained and kept up to date.

17.3 The Director of Finance will monitor the Service Level Agreement with PSD covering validation, payment, monitoring and reporting and the provision of an audit service by the NSS internal auditors. Through this process, the Director of Finance will seek evidence that NSS systems provide assurance that:

- Only contractors who are included on the Board's approved lists receive payments
- All valid contractors' claims are paid correctly, and are supported by the appropriate documentation and authorisation
- Regular independent post payment verification of claims is undertaken to confirm that:
 - rules have been correctly and consistently applied
 - overpayments are prevented wherever possible
 - if overpayments are detected, recovery measures are initiated

- fraud is detected and instances of actual and potential fraud are followed up as per the Fraud Policy.
- Exceptionally high/low payments are brought to his attention
- Payments made on behalf of the Board by the NSS are pre-authorised.

17.4 The Director of Finance will ensure that:

- Payments made via NSS are reported to the Management Team
- Payments made by NSS are reconciled with the cash draw-down reported by the Scottish Government to Health Boards.

17.5 Payments made to all Primary Care independent contractors and community pharmacists will comply with their appropriate contractor regulations.

18 Health and Social Care Integration

Integration

- 18.1 The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) established the framework for the integration of adult health and social care services in Scotland. A single Integrated Joint Board (IJB) has been established in Orkney. The approved [Integration Scheme](#) sets out the detail of the integration arrangement, including those functions delegated by NHS Orkney to the IJB.
- 18.2 Each partner will agree the formal budget setting timelines and reporting periods as defined in the IJB Integration Scheme and supporting Financial Regulations:
- An initial schedule of payments will be agreed within the first 40 working days of each new financial year and may be updated.
 - The format and frequency of reports will be agreed by the Chief Officer, Chief Finance Officer of the IJB in conjunction with the NHS Director of Finance and Orkney Islands Council (OIC) Section 95 Officer.
- 18.3 The initial budget for the NHS contribution to the IJB budget for delegated functions under the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) will be set in accordance with the Integration Scheme and the due diligence process as described in [Scottish Government Integrated Resource Advisory Group](#) guidance.
- 18.4 In subsequent financial years the NHS Board will evaluate the case for the integrated budget against its other priorities and will agree its contributions accordingly. The business case put forward by the IJB will be evidenced based and will detail assumptions made.
- 18.5 Following on from the budget process, the IJB Chief Officer and Chief Finance Officer will prepare a financial plan supporting the [Strategic Commissioning Plan](#) and once approved by the IJB, will issue Directions with defined payment levels to NHS Orkney. 'Payment' does not mean an actual cash transaction but a representative allocation for the delivery of integrated functions in accordance with the Plan.
- 18.6 If at the outset NHS Orkney does not believe the direction can be achieved for the payment being offered then it will notify the IJB that in line with s 28 (4) of the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) additional funding is necessary to comply with the direction.
- 18.7 Once the payments to be made by the IJB to NHS Orkney for the delegated functions have been agreed they will form the basis of annual

budgets to be issued to budget holders. Payments for the set aside budgets will be issued to the relevant NHS budget holder.

- 18.8 Where the Chief Officer is the budget holder they will comply with these SFIs. In further delegating budgetary authority to managers in their structure the Chief Officer is responsible for ensuring all transactions processed by the NHS comply with these SFIs and any further detailed procedural guidance relevant to the transaction.
- 18.9 The Chief Officer may have a structure including joint management posts with responsibility for both health and council expenditure.
- 18.10 Where a manager has delegated authority for both health and council expenditure they must ensure the VAT treatment is in line with [Integrated Resource Advisory Group](#) and HMRC guidance. If in doubt they should seek advice from the Director of Finance for any expenditure from NHS budgets.
- 18.11 A council employee who has been given delegated authority for NHS budgets will sign a declaration that they have received and will comply with these SFIs. This should also be signed by the Chief Officer, who will pursue any breaches of the SFIs through the council line management structure if required.
- 18.12 The IJB Financial Regulations state that the Chief Officer is not be permitted to vire between the Integrated Budget and those budgets managed by the Chief Officer, but which are outside of the scope of the strategic plan, unless agreed by those bodies. Internal virements require approval: up to £100,000 by the Chief Officer and Chief Finance Officer; over £100,000 by the IJB. Further requirements for the virement of budgets within NHS Orkney is specified in detailed guidance issued by the Director of Finance.
- 18.13 Notwithstanding that a budget virement lies within the Chief Officer's level of authority it can only be executed if detailed consideration of the financial impact indicates that any risks associated with it are acceptable. If there is a difference of opinion between the Chief Officer and NHS finance as to the acceptability of the risk, the Chief Officer and Director of Finance will seek to reach an acceptable solution. Failing that the Chief Executive will consider the level of risk, involving the Management Team if necessary. Should there still not be agreement the IJB would be invited to set out how it would mitigate the stated risk.
- 18.14 Where there is a projected overspend against an element of the Integrated Budget, the Chief Officer, the Chief Finance Officer of the IJB and the relevant finance officer and operational manager of NHS Orkney must agree a recovery plan to balance the overspend.

- 18.15 Underspend on the NHS element of the Integrated Budget should be returned to the IJB and carried forward through the reserves. This will require adjustments to the allocations from the IJB to NHS Orkney for the amount of the underspend.
- 18.16 The Director of Finance is responsible for providing the Chief Officer (as with all budget holders) with regular financial information to allow them to manage their budgets. The Director of Finance is also responsible for providing the Chief Finance Officer of the IJB with the financial information required by the integration scheme and expanded by subsequent agreements, to meet the reporting requirement of the IJB. In advance of each year a timetable will be agreed with the IJB.
- 18.17 The IJB Chief Finance Officer will be responsible for the preparation of the annual financial statements as required by s39 of the Public Bodies (Joint Working) (Scotland) Act 2014 and the statutory annual accounts. Recording of financial information in respect of the IJB will be processed via the OIC ledger (though this will be reviewed in time). The Director of Finance will ensure information is supplied from the NHS as required to fulfil these obligations.
- 18.18 Year-end balances and transactions will be agreed timeously in order to allow completion of the Accounts in line with required timescales. This date will be agreed annually by the IJB, NHS Orkney and OIC.
- 18.19 Detailed Financial Regulations governing the Integration Joint Board are in place, agreed between OIC and NHS Orkney and approved by the IJB. The Director of Finance will be responsible for ensuring NHS obligations are fulfilled.
- 18.20 Although the Public Bodies (Joint Working) (Scotland) Act 2014 will supersede most of the previous joint working arrangements, it remains possible that there could be pooled or aligned budgets with community partners, such as for children's services, that fall outwith that. The previous standing financial instruction provisions relating to this have therefore been retained in case they should be required.

Aligned and Pooled Budgets

- 18.21 NHS Scotland organisations and Scottish Local Authorities have a statutory duty to co-operate to provide improved Community Care Services. The [Community Care and Health \(Scotland\) Act 2002](#) and the [Community Care \(Joint Working etc.\) Regulations 2002](#) increased the flexibility available to both organisations to improve outcomes for people using these services, together with their carers. Scottish Ministers also have power to direct NHS and LA organisations to enter into joint

working arrangements, where existing performance is unsatisfactory. The Regulations specify the social care, health and housing functions covered by these enabling and intervention powers.

- 18.22 Part 2 of the Act enables payments to be made between NHS and LA organisations in connection with relevant functions, both Capital and Revenue, in order to move resources to deliver joint objectives. The Act provides a framework within which NHS and LA may delegate functions and pool budgets, where the host partner is best placed to manage the day to day operation of a joint service. The existing responsibility and accountability of each partner for the exercise of the function remains. A Local Partnership must develop a governance framework for any service and activity delegated. The host partner is required to account for the use of the pooled resources and service performance to both partners. Jointly managed services will be managed using either aligned or pooled budgets.
- 18.23 Aligned Budgets are where clearly identified financial resources are contributed by each partner into a joint “pot”, but the funds remain held within each partner organisation in separate and distinct budgets. This enables each partner organisation to identify and account for their contribution to the joint “pot”.
- 18.24 Pooled budgets are where each partner contributes agreed resources to a discrete fund, which is managed as a single budget, by a separate discrete body. This body is not a separate legal entity, and for legal reasons must be linked to one of the statutory authorities, which becomes the “host” partner. The partners must agree the purpose, scope and outcomes for services within the agreement, meeting their own statutory obligations and justifying their contribution to the fund.
- 18.25 Partnership arrangements entered into by NHS Orkney must comply with guidance issued by Scottish Government.
- 18.26 A Local Partnership Agreement must be drawn up between the partner organisations. This will specify the services to be managed jointly, joint arrangements for management structures, governance and accountability, budgetary control, financial reporting and monitoring. Each organisation’s Chief Officer must approve the Local Partnership Agreement which must be ratified by both organisations.
- 18.27 Each partner will agree the level of its contribution in advance of each financial year. Levels of contribution will take account of inflation, new developments, service pressures, capital charges and savings targets.
- 18.28 The Joint Management Team, as defined in the Local Partnership Agreement will have delegated authority to develop jointly managed

services, through the Local Partnership Agreement. Joint Service Manager posts will be employed by one or the partners, who will be responsible for the risks and liabilities associated with that.

- 18.29 Each Joint Services Manager will have delegated authority for the management of budgetary resources from each partner. There will be clearly defined roles and responsibilities for the achievement of financial and service performance targets. For the management of resources and activities associated with NHS Orkney's contribution, the NHS Orkney Code of Corporate Governance will be complied with. For the management of resources and activities associated with OIC's contribution to the jointly managed services, the OIC Financial Regulations and Contract Regulations will be complied with. Any instructions or guidance produced by the NHS Director of Finance and OIC Section 95 Officer will be complied with if it is to be applied to the appropriate budget/resources.
- 18.30 Where a separate body is created to manage pooled budgets, the lead officer of the partnership body will issue Financial Regulations and Standing Financial Instructions/Code of Corporate Governance, in accordance with directions issued by the Scottish Government, and agreed by the partner authorities. Such regulations and instructions will specify the arrangements for the provision of financial and service performance information to the partner authorities who remain responsible and accountable for their contribution.
- 18.31 The NHS Orkney Chief Executive and the OIC Section 95 Officer remain accountable to Scottish Government for the financial contribution made by their organisation.
- 18.32 Jointly managed services will be subject to both financial and value for money audit by both internal audit and the appointed auditors. Annual statements will be prepared for inclusion in both partners' Annual Accounts, complying with all appropriate accounting standards and Scottish Government requirements. Each partner's Director of Finance will be equally responsible for ensuring that all relevant financial information is made available to the other partner as appropriate.

19 Patients property

- 19.1 NHS Orkney has a responsibility ([NHS Circular 1976 \(GEN\) 68](#)) to provide safe custody, for money and other personal property (hereafter referred to as “property”) handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival. NHS Orkney will not exercise the power to manage patients’ finances under the [Adults with Incapacity Scotland Act 2000](#)), this responsibility will lie with Social Services.
- 19.2 Patients or their guardians, as appropriate, will be informed before or at their admission that NHS Orkney will not accept responsibility or liability for patients’ property unless it is handed in for safe custody and a copy of an official patient’s property record is obtained as a receipt. This information will be provided through:
- Notices and booklets
 - Admission documentation and property records
 - Advice of staff responsible for admissions.
- 19.3 The Director of Finance will provide written instructions on the collection, custody, recording, safekeeping and disposal of patients’ property (including instructions on the disposal of the property of deceased patients and patients transferred to other premises) for all staff whose duty it is to administer the property of the patients.
- 19.4 Bank accounts for patients’ monies will be operated under arrangements agreed by the Director of Finance.
- 19.5 A patient’s property record, in a form determined by the Director of Finance, will be completed by a member of staff in the presence of a second member of staff and the patient or personal representative where practicable. It will be signed by both members of staff and by the patient, except where the latter is restricted by physical or mental incapacity, when it could be signed by the patient representative on their behalf. Any alterations will be validated by the same signatory process as required for the original entry.
- 19.6 The Director of Finance will prepare an abstract of receipts and payments of patients’ private funds in the form laid down in the Manual for Accounts. The abstract will be audited independently and presented to the Audit Committee, together with a report from the auditor.

- 19.7 Property which has been handed in for safe custody will be returned to the patient, as required, by the officer who has been responsible for its security. The return shall be receipted by the patient or guardian as appropriate, and witnessed by another member of staff.
- 19.8 The disposal of property of deceased patients is governed by [GEN \(1992\) 33](#), which should be read as part of the SFIs.
- 19.9 All property including cash, watches, jewellery, clothing, bank books, insurance policies and all other documents which the patient had in his possession in the hospital, should, as soon as practicable after his death, be collected together, identified as being his belongings and kept in safe custody until disposal.
- 19.10 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

Patient Died Intestate and Without Next Of Kin

- 19.11 If the patient was of Scottish domicile, died intestate and without next of kin, the estate will pass to the Crown and is dealt with by the Crown Office, Regent Road, Edinburgh. The particulars of each case should be notified separately and promptly to the Crown Office. The particulars should include the last known address of the patient.
- 19.12 The law governing the succession to the estate of patients dying intestate and without next of kin, who were not of Scottish domicile, varies according to the country. Details should be reported to the Crown Office for investigation. All property and documents should be retained until instructions are received from the Crown Office.

Patient Died Intestate but Next Of Kin/Beneficiaries Identified

- 19.13 Those items of the estate in the possession of NHS Orkney should be handed over only to the executor or executors named in the document known as the "Confirmation of the Estate". The document should be inspected before the items are handed over. The executor **may** be the next of kin, but need not necessarily be so. Where the total amount of the deceased's estate is not more than £25,000, there is provision for the Confirmation document to be obtained by an expedited procedure, but nevertheless a Confirmation should still be obtained. A Confirmation of Estate document can be obtained by the executor or the next of kin from any sheriff clerk for a small fee. A signed Receipt for all the items of estate delivered to the executor should be in the form shown as Appendix B to [GEN \(1992\) 33](#).

- 19.14 If the next of kin decides not to obtain a Confirmation, because for example, the value of the estate is too small, if possible all items of the estate should be handed over in exchange for a signed Receipt in the form shown as Appendix C of [GEN \(1992\) 33](#). Staff **must** ensure that all the items handed over are listed on the receipt.
- 19.15 No payments should be made to anyone out of the estate funds other than the executor or the next of kin, as appropriate, but when handing over the items of estate, staff should provide him with known details of any sums owing and the names and addresses of creditors.
- 19.16 Where items are handed over to a beneficiary, the form of receipt should be as shown on Appendix D of [GEN \(1992\) 33](#).

Cost of burial or cremation

- 19.17 NHS Orkney should not assume responsibility for arranging a burial or cremation. Section 50(i) of the [National Assistance Act 1948](#) places a duty on Councils to arrange for the burial or cremation of the body of a deceased person where no suitable arrangements for the disposal of the body have been made or are being made. The local authority should be informed immediately, in writing, so that they can make the arrangements.
- 19.18 The local authority can seek to be reimbursed from the deceased's estate for the expenses incurred. Where the Crown Office has an interest, the local authority should be referred to them for payment.
- 19.19 Where NHS Orkney cannot trace the named executor, or any beneficiary, it may be convenient for NHS Orkney to hand over to the local authority as much of the patient's property in its possession as is sufficient to cover the burial or cremation expenses. NHS Orkney must not hand over property which is worth more than the expenses incurred, and must retain the balance for claiming by next of kin, beneficiary or named executor.
- 19.20 An itemised statement of the total expenses payable must be obtained from the local authority, and a receipt obtained in the form of Appendix E to [GEN \(1992\)33](#).
- 19.21 In accordance with [GEN \(1992\)33](#), NHS Orkney, to save parents the additional distress of arranging for the funeral of a baby still-born in hospital, or in the community, may offer to arrange and pay for the funeral on their behalf.

20 Audit

Audit Committee

- 20.1 The Board will establish an Audit Committee, with clearly defined terms of reference, which follows guidance contained in the Scottish Government [Audit Committee Handbook](#). The Audit Committee will consider:
- The strategic process for risk, control and governance and the Governance Statement
 - The effectiveness of the internal control environment
 - Assurances relating to the corporate governance requirements for NHS Orkney
 - The accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
 - The planned activity and results of both internal and external audit
 - The adequacy of management response to issues identified by audit activity, including external audit's management letter / report
 - Proposals for tendering for internal audit services
 - Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
- 20.2 Where the Audit Committee feels there is evidence of ultra vires transactions, evidence of improper acts, or other important matters that the Committee wish to raise, the Chair of the Audit Committee should refer the matter to a full meeting of the Board. Exceptionally, the matter may need to be referred to the Scottish Government.
- 20.3 It is the responsibility of the Audit Committee to regularly review the operational effectiveness of the internal audit service. A panel chaired by a Non-Executive Board Member, preferably the Chair of the Audit Committee, will select and appoint the Internal Auditor. The Chair of the Audit Committee will determine the composition of the panel.
- 20.4 The Audit Committee provides a forum through which Non-Executive Board Members can secure an independent view of activity within the appointed auditor's remit. The Audit Committee has a responsibility to ensure that the Board receives a cost effective service and that co-operation with senior managers and Internal Audit is appropriate.

Director of Finance

20.4 The Director of Finance is responsible for ensuring that:

- There are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function
- Internal Audit is adequate and meets the NHS mandatory audit standardsThe Chief Internal Auditor prepares the following for approval by the Audit Committee:
 - Strategic audit plan
 - A detailed operational plan for the coming year.

The decision at what stage to involve the police in cases of fraud, misappropriation, and other irregularities has been delegated to the Fraud Liaison Officer.

20.5 The Director of Finance will ensure that an annual internal audit report is prepared by the Chief Internal Auditor, in accordance with the timetable laid down by the Audit Committee, for consideration by the Audit Committee. The report must cover:

- A clear statement on the effectiveness of internal control
- Major internal control weakness discovered
- Progress on the implementation of internal audit recommendations
- Progress against plan for the year.

20.6 The Director of Finance and designated auditors are entitled without necessarily giving prior notice to require and receive:

- Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
- Access at all reasonable times to any land, premises or employee of each organisation
- The production of any cash, stores or other property under an employee's control
- Explanations concerning any matter under investigation.

Internal Audit

20.7 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve NHS Orkney's operations. It helps NHS Orkney accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk

management, control and governance processes.

A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The [Public Sector Internal Audit Standards](#) (PSIAS) set out the framework for Internal Audit services. The Chief Internal Auditor will lead the Board's internal audit function.

The Chief Internal Auditor will ensure that the internal audit function operates in accordance with PSIAS, and will provide assurance, at least annually, to the Audit Committee that this is being achieved.

20.8 **Internal Audit Activity**

Internal audit must assess and make appropriate recommendations for improving governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organisation
- Ensuring effective organisational performance management and accountability
- Communicating risk and control information to appropriate areas of the organisation
- Coordinating the activities of and communicating information among the board, external and internal auditors and management.

Internal audit must assess whether the information technology governance supports the organisation's strategies and objectives.

Internal audit must evaluate risk exposures relating to the organisation's governance, operations and information systems regarding the:

- Achievement of strategic objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programmes
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts.

The Chief Internal Auditor will prepare a risk-based Strategic Internal Audit Plan and an Internal Audit Charter for consideration and approval by the Audit Committee before the start of the audit year.

The Chief Internal Auditor will issue a draft terms of reference for consideration by the lead executive (Audit Sponsor) and the relevant operational staff for the area under review (key contacts) before each audit. These will set out the scope, objectives, resources and timescales for the audit. The Chief Internal Auditor will give the sponsor

and key contacts adequate time to consider and respond to the draft terms of reference before it is finalised. The Chief Internal Auditor will issue the final terms of reference before the start of the audit fieldwork.

The Chief Internal Auditor will issue the draft report for an audit to the audit sponsor, and the audit sponsor will have two weeks to provide a response. The sponsor, or his or her representative, should respond either in writing or during a close-out meeting with Internal Audit.

Management are responsible for ensuring that appropriate internal control systems exist within their own area (or parts thereof), and for deciding whether or not to accept and implement internal audit findings and recommendations. Where internal audit recommendations are not accepted, the audit sponsor must provide a comprehensive explanation to the Audit Committee, normally as part of the management response within the associated internal audit report.

The Chief Internal Auditor will prepare an Annual Internal Audit Report, in line with [PSIAS](#) and any relevant Scottish Government directions, and present it to the Audit Committee to inform its review of the draft Governance Statement.

Internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.

The Audit Committee will normally invite the Chief Internal Auditor to attend Audit Committee meetings. The Chief Internal Auditor will have direct access to all Audit Committee members, the Chairman, the Board and the Chief Executive. The Chief Internal Auditor has the right to meet in private with any of these individuals.

- 20.9 While maintaining independence, the Chief Internal Auditor is accountable to the Director of Finance. Reporting and follow-up systems for internal audit will be agreed between the Director of Finance, the Audit Committee and the Chief Internal Auditor. The agreement will be in writing and will comply with guidance on reporting contained in the PSIAS. The reporting system will be reviewed at least every 3 years.

External Audit

- 20.10 The External Auditor is concerned with providing an independent assurance of NHS Orkney's financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NHS accounts. Responsibility for securing the audit of NHS Orkney rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the PFA

Act 2000.

20.11 The External Auditor has a general duty to satisfy himself that:

- NHS Orkney's accounts have been properly prepared in accordance with directions given under the PFA Act 2000
- Proper accounting practices have been observed in the preparation of the accounts
- NHS Orkney has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.

20.12 In addition to these responsibilities, Audit Scotland's [Code of Audit Practice](#) requires the External Auditor to provide an opinion on whether the statement of accounts presents a true and fair view of the financial position of the organisation, and on the regularity of transactions.

The External Auditor will also review and report on:

- Other information published with the financial statements.
- Corporate governance arrangements including arrangements in place for the prevention and detection of fraud and corruption
- The financial position
- Arrangements to achieve Best Value
- Arrangements to manage performance.

21 Information and management technology

- 21.1 The Director of Finance is responsible for the accuracy and security of the financial data of NHS Orkney.
- 21.2 The Director of Finance will devise and implement procedures to protect the Board and individuals from inappropriate use or misuse of any financial or other information held on computer files for which he has responsibility and will take account of the provisions of the [Data Protection Act 1998](#).
- 21.3 The Director of Finance will satisfy himself that computer audit checks and reviews are being carried out.
- 21.4 The Director of Finance will ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by an organisation outwith NHS Orkney, assurances of adequacy will be obtained from them prior to implementation.
- 21.5 The Director of Finance will ensure that contracts or agreements for computer services for financial applications with NHS Boards or any other agency will clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing and storage. The contract or agreement will also ensure rights of access for audit purposes.
- 21.6 Where NHS Orkney or any other agency provides a computer service for financial applications, the Director of Finance will periodically seek assurances that adequate controls are in operation.
- 21.7 Where computer systems have an impact on corporate financial systems the Director of Finance will ensure that:
- Systems acquisition, development and maintenance are in line with corporate policies and strategies such as the IT/eHealth Strategy
 - Data produced for use with financial systems is adequate, accurate, complete and timely, and that an audit trail exists
 - Finance staff have access to such data.

22 Fixed assets

- 22.1 The Chief Executive will ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal on the Financial Plan for NHS Orkney.
- 22.2 The Director of Finance will ensure that every capital expenditure proposal meets the following criteria:
- Potential benefits have been evaluated and compared with known costs
 - Potential purchasing authorities should be able and (as far as can be ascertained) willing to meet cost consequences of the development as reflected in prices
 - Complies with guidance in the [Capital Investment Manual](#).
- 22.3 Consideration should be given to the use of Private Finance, Non Profit Distribution or Operating Leases where appropriate.
- 22.4 NHS Orkney will maintain a system for assessing whether leases or Private Finance Initiative / Public Private Partnership / Non-Profit Distributing contracts should be accounted for as on or off balance sheet in the context of [SSAP21](#), [FRS5](#), and [International Reporting Standards](#) (IFRS) and any other relevant guidance and advice received.
- 22.5 For large capital schemes a system will be established for managing the scheme and authorising necessary payments up to completion (Section 9). Provision will be made for regular reporting of actual expenditure against authorised capital budgets.
- 22.6 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 original documents and invoices (where appropriate). Where land and property is disposed of, the [Property Transactions Handbook](#) must be followed.
- 22.7 There is a requirement to achieve Best Value when disposing of assets. Competitive tendering should be undertaken in line with the tendering procedure (Section 13).
- 22.8 Competitive tendering or quotation procedures will not apply to the disposal of:
- Any matter where a fair price can be obtained only by negotiation

or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or nominated officer

- Obsolete or condemned articles and stores, which may be disposed of in accordance with the losses policy
- Items with an estimated sale value of less than £1,000
- Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract
- Land or buildings concerning which Scottish Government guidance has been issued.

22.9 Managers must ensure that:

- The Director of Finance is consulted prior to disposal
- All assets are be disposed of in accordance with [MEL\(1996\)7](#) 'Sale of surplus and obsolete goods and equipment'
- All proceeds are notified to the Director of Finance.

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

22.11 NHS Orkney will maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the [Capital Accounting Manual](#) as issued by Scottish Government.

22.12 Registers will be maintained by the nominated officer for:

- Donated equipment
- Equipment on loan
- Leased Equipment
- Other operating leases
- Non Profit Distributing contracts
- Contents of furnished lettings.

22.13 The Director of Finance will approve fixed asset control procedures. These procedures will make provision for:

- Recording managerial responsibility for each asset
- Identification of additions, disposals and transfers between departments
- Identification of all repair and maintenance expenses
- Physical security of assets
- Periodic verification of the existence of, condition of and title to assets recorded
- Identification and reporting of all costs associated with the retention of an asset.

- 22.14 Additions to fixed asset registers must be clearly attributed to an appropriate asset holder and be validated by reference to:
- Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
 - Stores requisitions for own materials and wages records for labour including appropriate overheads
 - Lease agreements in respect of assets held under a finance lease and capitalised.
- 22.15 The Director of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 22.16 All discrepancies revealed by verification of physical assets to the fixed asset register will be notified in writing to the Director of Finance.
- 22.17 The value of each asset will be indexed to current values in accordance with methods specified in the [Capital Accounting Manual](#).
- 22.18 The value of each asset will be depreciated using methods and rates as specified in the [Capital Accounting Manual](#).
- 22.19 Capital charges will be calculated as specified in the [Capital Accounting Manual](#).

23 Management, retention and disposal of administration records

- 23.1 NHS Orkney must comply with the national guidance on record keeping as outlined in:
- [Public Records \(Scotland\) Act 2011](#)
 - Records management guidance set out in the [Code of Practice on Records Management](#) issued under Section 61(6) of the [Freedom of Information \(Scotland\) Act 2002](#)
 - [CEL 28\(2008\) Records Management](#)
 - [NHS Code of Practice \(Scotland\)](#), which incorporates NHS (2006) 28, and provides guidance on the retention and disposal of administrative records.
- 23.2 The Board has a Records Management Plan which is the overarching framework ensuring NHS Orkney records are managed and controlled effectively. This includes the Records Management Policy and supporting policies and procedures. This can be accessed on the website. <https://www.ohb.scot.nhs.uk/public-records-scotland-act>

24 Risk management and insurance

- 24.1 The Chief Executive will ensure that NHS Orkney has a programme of risk management which is approved and monitored by the Board and its committees.

The programme of risk management will include:

- A process for identifying and quantifying risks
- Engendering among all staff a positive attitude to the control of risk
- A programme of risk awareness training
- Management processes to ensure that all significant risks are addressed, including effective systems of internal control, and decisions on the acceptable level of retained risk
- All significant risks and action taken to manage the risks will be reported to the Board and its committees
- The maintenance of an organisation-wide risk register
- Contingency plans to offset the impact of adverse events
- Audit arrangements, including internal audit, clinical audit, health and safety review
- Arrangements to review the risk management programme.

- 24.2 The existence, integration and evaluation of the above elements will provide a basis for the Audit Committee to make a statement to the Board on the effectiveness of risk management in NHS Orkney.

- 24.3 In the case of Partnership Working with other agencies, the NHS Orkney risk management framework will be shared to identify and quantify the individual risks, particularly where responsibility cannot be assigned to an individual partner. Each partners' risk management and insurance arrangements will be taken into account when identifying and quantifying risks associated with the provision of jointly managed services and associated with the delegation of the management of a partner's financial resources. Where conflicts occur between these sets of arrangements each partner's Director of Finance will be required to agree a course of action to resolve the conflict.

- 24.4 The Director of Finance will ensure that insurance arrangements exist in accordance with the risk management programme.

25 Financial irregularities

This section should be read in conjunction with the NHS Orkney Fraud Policy contained within the Code of Corporate Governance.

25.1 Guidance on the approach to various forms of financial irregularities is contained in [HDL\(2002\) 23](#), which draws a clear distinction between treatment of suspected (a) theft and (b) fraud, embezzlement, corruption, and other financial irregularities (hereafter referred to as “fraud, etc”). This procedure also applies to any non-public funds.

25.2 **Theft, Fraud, Embezzlement, Corruption and Other Financial Irregularities**

The Chief Executive will designate an officer within the Board with specific responsibility for co-ordinating action where there are reasonable grounds for believing that an item of property, including cash, has been stolen – the Fraud Liaison Officer.

It is the Fraud Liaison Officer’s responsibility to inform as he deems appropriate, the Police, the Counter Fraud Services (CFS), the appropriate Director, the External Auditor, and the Chief Internal Auditor that such an occurrence is suspected.

Where any officer of the Board has grounds to suspect that any of the above activities has occurred, his line manager should be notified without delay. Line managers should in turn immediately notify the Fraud Liaison Officer, who should ensure consultation with the CFS, and the Chief Internal Auditor. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

If, in exceptional circumstances, the Fraud Liaison Officer and the Chief Internal Auditor are unavailable, the line manager will report the circumstances to the Chief Executive who will be responsible for informing the CFS. As soon as possible thereafter, the Fraud Liaison Officer should be advised of the situation.

Where preliminary investigations suggest that *prima facie* grounds exist for believing that a criminal offence has been committed, the CFS will undertake the investigation, on behalf of, and in co-operation with NHS Orkney. At all stages, the Director of Finance and the Chief Internal Auditor will be kept informed of developments on such cases. All referrals to the CFS must also be copied to the External Auditor.

Any additions and suspicions of fraud, including those dismissed, will be

promptly reported to the Audit Committee on a regular basis.

25.3 Remedial Action

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

25.4 Reporting to Scottish Government

While normally there is no requirement to report individual cases to the Scottish Government there may be occasions where the nature or scale of the alleged offence or the position of the person or persons involved, could give rise to national or local controversy and publicity.

Moreover, there may be cases where the alleged fraud appears to have been particularly ingenious or where it concerns an organisation with which other health sector bodies may also have dealings. In such cases, the Scottish Government must be notified of the main circumstances of the case at the same time as the CFS.

25.5 Responses to Press Enquiries

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

The Scottish Government should also be advised of any unusual or significant incidents involving patients or endowment funds.

25.6 List of Financial Crime Offences

There are numerous types of financial crime that can be perpetrated and some examples are given below:

- **Dishonest action by staff to obtain a benefit** for example working whilst on sick leave, false expenses, false overtime, embezzlement of cash or goods and procurement fraud
- **Account fraud** for example fraudulent transfer to employee account, fraudulent account transfer to third party account and

fraudulent account withdrawal

- **Employment application fraud** for example false qualifications, false references or use of false identity
- **Unlawfully obtaining or disclosure of personal data** for example fraudulent use of customer/payroll data, modification of customer payment instructions and contravention of IT security policy with intent to facilitate the commission of a criminal offence
- **Unlawfully obtaining or disclosure of commercial data** for example contravention of IT security policy with intent to facilitate the commission of a criminal offence
- **Other irregularities** for example involving failure to declare gifts, breaches of NHS circulars or SFIs or other accounting irregularities.

26 Bribery

This section should be read in conjunction with the Standards of Business Conduct contained within Section C of the Code of Corporate Governance and the Fraud and Corruption Policy contained within Section D of the Code of Corporate Governance

- 26.1 The [Bribery Act 2010](#) has brought further obligations on NHS Orkney and its staff.
- 26.2 NHS Orkney operates a zero tolerance approach to bribery, whether direct or indirect, by, or of, its staff, agents or external consultants or any persons or entities acting for it or on its behalf. The Board is committed to implementing and enforcing effective systems throughout NHS Orkney to prevent, monitor and eliminate bribery, in accordance with the [Bribery Act 2010](#).
- 26.3 NHS Orkney will not conduct business with service providers, agents or representatives who do not support its anti-bribery statement. We reserve the right to terminate contractual arrangements with any third parties acting for, or on behalf of, NHS Orkney with immediate effect where there is evidence that they have committed acts of bribery.
- 26.4 The success of NHS Orkney's anti-bribery measures depends on all employees, and those acting for NHS Orkney, playing their part in helping to detect and eradicate bribery. Therefore all employees and others acting for, or on behalf of NHS Orkney are encouraged to report any suspected bribery in accordance with Section D of the Code of Corporate Governance – Fraud and Corruption Policy.
- 26.5 Where there are grounds to suspect that bribery has occurred a response shall be initiated as per the Fraud and Corruption Policy.

Annex

Sponsorship Policy

1 Sources of Sponsorship

It is accepted that NHS Orkney may benefit from sponsorship opportunities. However, there are circumstances under which sponsorship should not be accepted:

- If a company's products have inherent health risks, ie manufacturers and suppliers of tobacco and alcohol products
- Where a company has a history of failing to meet legislative standards in respect of industrial relations and work conditions, human rights, animal rights or environmental issues.

2 Purpose of Sponsorship

It is NHS Orkney's duty to provide health services for its population and it is not appropriate to use sponsorship to meet the costs of what is perceived to be NHS Orkney's primary responsibilities. However, it could be used to fund what are seen as secondary activities such as:

- Materials for education, training and health promotional events
- Educational grants
- Sponsorship for training courses
- Expenses for attendance at local or national conferences
- Research or clinical audit projects
- Printing and distribution of guidelines
- Facilitate access to research and development work elsewhere.

The principles upon which any sponsorship must be based are:

- Agreements must protect the interests of individual patients, eg guard against the use of any single product to the exclusion of other reputable brands on the market
- Agreements should not undermine or conflict with the ethical requirement of any health care professional including the duty of doctors to provide treatment they consider clinically appropriate
- Agreements must comply with requirements for data protection and information sharing

- Agreements must be reviewed by the Central Legal Office
- Agreements will be publicly available documents in line with NHS Orkney's accountability requirements.

3

Control Framework

Sponsorship within the framework outlined above would allow some credit to be given to the sponsors, acknowledging the fact that they have provided the funding to allow the project or event to be run.

However, the following issues must be made clear:

- Credit for the work is due to the Board and not the sponsors
- The acceptance of sponsorship is not an endorsement of a specific product or drug
- Any mention of the sponsor will be to the Company and not to any of its products
- The sponsoring company may attend any sponsored event and display samples of its products at sponsored events, but it must be clear that the Board is not endorsing or promoting the company or its products.

Companies or suppliers offering sponsorship should be sent a copy of this policy and are required to confirm in writing that they have read it and will abide by its content.

Any offers of sponsorship should be submitted to the Director of Finance. A final decision on the appropriateness of an offer of sponsorship will rest with the Chief Executive.

Annex 2

An up to date copy of the Scheme of Delegated Financial Authority can be obtained from the Director of Finance.

Not Protectively Marked

NHS Orkney Board – 26 June 2019 Report Number: OHB1920-14 This report is for noting NHS Orkney response to the Sturrock Review	
Lead Director and Author	Gerry O'Brien, Chief Executive
Action Required	The Board are asked to note the publication of the Sturrock Report, publication of the Scottish Government response and the requirement for the board to respond to the Cabinet Secretary by 28 June 2019.
Key Points	<p>On 9 May 2019, John Sturrock QC issued his Report to the Cabinet Secretary for Health and Sport into Cultural issues related to allegations of bullying and harassment in NHS Highland. The Report identified a number of key themes applicable to all NHS:</p> <ul style="list-style-type: none"> • Management and Leadership • Governance • HR and other processes • People Centred Culture • Training and HR • Whistleblowing <p>On 20th May 2019 the Cabinet Secretary provided details of her response to the findings setting out a full package of measures to be implemented to support positive workplace culture across the whole of the NHS.</p> <p>In her letter of 20th May 2019 the Cabinet Secretary has asked that Senior Leadership of all Boards consider the recommendations contained within the Sturrock Report and that we as a Board provide, where appropriate:</p> <ul style="list-style-type: none"> • Details of immediate actions the Board has taken/plan to take on the back of the recommendations made in the Sturrock Report; • What support the Board has put in place/will put in place for any member of staff who has been affected by bullying and harassment; and • Details of the Board's plans for staff engagement to consider these recommendations and a timeline of

	when this will be carried out
Timing	A key date is a response to the Cabinet Secretary by 28 th June but agreement on a realistic range of actions with key dates and reporting to Staff Governance is also required.
Link to Corporate Objectives	<p>The corporate objectives this paper relates to:</p> <ul style="list-style-type: none"> • Improve the delivery of safe, effective patient centred • Create an environment of service excellence and continuous improvement; and • Be trusted at every level of engagement.
Contribution to the 2020 vision for Health and Social Care	The successful operation of core NHS Scotland values and behaviours as articulated in Everyone Matters Workforce Vision and Values is essential to the delivery of the 2020 vision.
Benefit to Patients	Staff must feel empowered to report all instances of bullying and harassment and feel that their concerns will be acted upon. This will facilitate an improved working environment and increase staff and patient well being.
Equality and Diversity	No EQIA is required at this time however the importance of recognising the value of diversity is a key theme of the Sturrock review.

Not Protectively Marked

NHS Orkney Board

NHS Orkney response to the Sturrock Review

Gerry O'Brien, Chief Executive

Section 1 Purpose

On 9th May 2019, John Sturrock QC issued his Report to the Cabinet Secretary for Health and Sport into Cultural issues related to allegations of bullying and harassment in NHS Highland. The Report identified a number of key themes applicable to all NHS:

- Management and Leadership
- Governance
- HR and other processes
- People Centred Culture
- Training and HR
- Whistleblowing

On 20th May 2019 the Cabinet Secretary provided details of her response to the findings setting out a full package of measures to be implemented to support positive workplace culture across the whole of the NHS.

In her letter of 20th May 2019 the Cabinet Secretary has asked that Senior Leadership of all Boards consider the recommendations contained within the Sturrock Report and that we as a Board provide, where appropriate:

- Details of immediate actions the Board has taken/plan to take on the back of the recommendations made in the Sturrock Report;
- What support the Board has put in place/will put in place for any member of staff who has been affected by bullying and harassment; and
- Details of the Board's plans for staff engagement to consider these recommendations and a timeline of when this will be carried out

Section 2 Recommendations

The Board are asked to note the publication of the Sturrock Report, publication of the Scottish Government response and the requirement for the board to respond to the Cabinet Secretary by 28th June 2019.

Section 3 Background

Following allegations of bullying and harassment from a number of staff, the Cabinet Secretary for Health and Sport commissioned John Sturrock QC to undertake an independent review of the allegations and the supporting systems and processes within NHS Highland.

Section 4 Discussion

On 9th May 2019, John Sturrock QC issued his Report to the Cabinet Secretary for Health and Sport into Cultural issues related to allegations of bullying and harassment in NHS Highland.

Key Themes of Sturrock Report

Management and Leadership

1. Many of the difficulties experienced in recent years in NHS Highland are said to be attributable to a management style which has not been effective in the challenging circumstances of the modern NHS, and relate also to the effectiveness of the governing body to provide effective oversight.
2. A significant number of respondents expressed concerns about the role of senior management. The senior leadership has seemed to many, though not all, to have been characterised over some years by what has been described as an autocratic, intimidating, closed, suppressing, defensive and centralising style, where challenge was not welcome and people felt unsupported.
3. A significant number of managers reported operating in circumstances in which they felt unable to manage effectively. There is a real concern that allegations of bullying can be used to avoid or deflect appropriate management of performance and other difficult issues.
4. The intersection in decision making between management and clinicians is not working well enough and is a cause of much frustration and sub-optimal performance.

Governance

1. The Board has not functioned optimally in its governance and oversight role leading to a situation where allegations apparently could not be raised and responded to adequately, locally.
2. The governance structure seemed extensive and impenetrable to many. It does not seem to have been conducive to open, transparent and effective operation.
3. The absence of a proper strategic vision with specific goals and timelines seemed to be a contributor to the lack of direction.

4. Many people expressed their concerns about the partnership agreement and the role of trade unions and staff side representation, which appears to many employees to have failed adequately to represent the interest of employees of NHS in regard to bullying claims.

HR and Other Processes

1. There has been and continues to be, a serious delay in addressing many of the issues of significant concern to members of staff. This is often because of failures and delays in recording, reporting and investigating and in grievance and other concerns (including the inconsistent and inappropriate use of suspension and capability assessments, breaches of confidentiality and perceived loss of impartiality).
2. Criticism of 'HR' may be a catch – all which conflates management roles and the HR function does not fully acknowledge the wider ranging nature of dysfunction across management.
3. There is a strong need to improve diversity awareness and bring culture into line with attitudes and practice in the rest of the UK.
4. Mental Health should be a major management issue for the NHS. A significant number of people employed in NHS have suffered from and continue to suffer from significant mental health issues as a result of their experiences, many of which can be described as traumatic given their respective and intrusive nature in disruptive and damaging situations.

People Centred Culture

1. There needs to be an enabling culture from the top. Culture change needs to be owned by the leaders. That means leaders who are not afraid, who have high self-esteem and a great deal of humanity and compassion. Kindness is a crucial component of the leadership which is required going forward.

Other Considerations

1. An honest conversation is needed generally within the NHS, and with the general public and employees, about realistic expectations and the perhaps inevitable tensions between clinical delivery and financial reality.
2. Fault finding and a culture of blame will not be a productive way forward.
3. More attention should be paid to early intervention, when a difficulty or conflict is first identified. This can be addressed by education and training, empowering those affected and bystanders to raise concerns early, and by introducing other different approaches which move away from adversarial or binary processes.

Training and HR

1. A carefully designed ongoing comprehensive training programme addressing appropriate behaviours (including a well communicated, simple and clear definition of what constitutes bullying and harassment, together with diversity and discrimination awareness) could have a profound impact.
2. A programme of action learning, training, review, coaching and support is essential at all management levels, including those preparing for recruitment, induction or promotion into management.
3. To build relationships and confidence, the introduction and/or enhancement of well facilitated team meetings on a regular basis, with opportunities to express concerns, to brief and debrief safely and review events and experiences in a supportive culture, could help greatly.
4. There needs to be organisation wide clarity about and understanding of the role of HR and its limitations and it and Occupational Health need full time direction at the highest level.
5. Systems for accurate and robust recording of complaints about alleged bullying and harassment should be maintained.
6. Grievance and other formal procedures, when used as a last resort, must be designed to be speedy, transparent and fair to all.

Whistleblowing

1. There should be a properly functioning, clear, safe and respected wholly independent and confidential whistleblowing or 'speaking up' mechanism.
2. All staff should be aware of how to use this and in what circumstances its use is relevant.

Scottish Government Response

On 20th May 2019 the Cabinet Secretary provided details of her response to the findings setting out a full package of measures to be implemented to support positive workplace culture across the whole of the NHS.

In her letter to all boards of 20th May 2019 the Cabinet Secretary has asked that Senior Leadership of all Boards consider the recommendations contained within the Sturrock Report and that we as a Board provide, where appropriate:

- Details of immediate actions your Boards has taken/plan to take on the back of the recommendations made in the Sturrock Report;
- What support your Board has put in place/will put in place for any member of staff who has been affected by bullying and harassment; and
- Details of your Board's plans for staff engagement to consider these recommendations and a timeline of when this will be carried out

Individual board responses are to be submitted by Friday 28th June 2019.

In formulating plans the Cabinet Secretary is looking for explicit assurance that all Boards are fostering opportunities for open and active dialogue with all staff, in the spirit of Everyone Matters Workforce Vision and Values;

1. Senior Leaders are challenging themselves and their teams to ensure that a culture in which our vision and values are routinely modelled, and that positive behaviours permeate throughout the whole organisation;
2. Remain assured that their local Staff Governance Monitoring arrangements effectively scrutinise implementation of the Staff Governance Standards, in particular that staff continue to be treated fairly and consistently, with dignity and respect, and in an environment where diversity is valued;
3. Are using systems for Staff Engagement and feedback, including iMatter, effectively and that Boards continue to take action when issues are identified;
4. That Board's review the implementation of Workforce policies relating to bullying and harassment and whistleblowing; that they promote staff awareness of these policies including how they can safely and confidently raise concerns, the sources of support available and that staff are supported throughout the process; and
5. That Boards review their existing workforce training and development needs and make use of the talent development and management programmes NHS Scotland has in place, including Project Lift, to ensure that we are equipping all of our staff with the skills and abilities they need to be effective managers of people.

In addition to requesting individual Board responses to the Report, the Scottish Government have taken the lead on two critical developments:

An Independent National Whistleblowing Officer (INWO) for NHS Scotland

On 30 April 2019, the Scottish Government laid a Public Services Reform Order for consultation in the Scottish Parliament. The draft order makes provision to allow the Scottish Public Services Ombudsman (SPSO) to investigate complaints made about healthcare whistleblowing matters. The Order allows the SPSO to become a formal stage complaints handling authority for whistleblowing complaints. All health boards will be required to comply with the Model Complaints Handling Procedure for Whistleblowing Complaints that the Ombudsman intends to publish. The Ombudsman will provide an impartial review function if there are concerns about how a complaint has been handled. Where the Ombudsman has chosen to investigate a complaint it will lay a report before the Scottish Parliament.

It is anticipated the INWO function will go live in Summer 2020.

New Whistleblowing Champions (Non Executive Board Appointment)

The Scottish Government intends to appoint a Non-Executive Whistleblowing Champion to every NHS Scotland Health Board. The appointments will further promote a culture of openness and transparency in NHS Scotland, where all staff feel confident that they can raise concerns, safe in the knowledge that they will be supported and their concerns properly investigated. The Whistleblowing Champion will not have an operational or

investigative role, but will perform a scrutiny function, as well as sign posting staff the sources of support.

The Whistleblowing Champion will provide assurance that Boards are complying with workforce policies on whistleblowing. Where a Whistleblowing Champion has concerns about the investigation or handling of concerns, then the Whistleblowing will be able to escalate their concern to the Cabinet Secretary for Health and Sport, via the Scottish Government Director-General for Health and Social Care.

All new Whistleblowing Champions will office before the end of 2019.

NHS Orkney draft actions

The NHS Orkney draft plan will be structured around the key themes of the Sturrock Report:

- Communications & Engagement
- Human Resource Processes
- Organisation and Workforce Development
- Support for Staff
- Governance

Timescales for each action will be agreed and these will be differentiated into short, medium and long term. The timescales are:

- Short term 0 – 3 months
- Medium term 4 -12 months
- Long term over 12 months

Each action will also have an associated success factor. As we develop our plan there will be a requirement to explicitly map each action into each of the 5 key areas which the Cabinet Secretary is seeking assurance on. This will ensure that none of these areas are missed.

The draft action plan has been developed as a first step in addressing the proposals highlighted in the aforementioned reports. The intention now is to build upon and enhance this plan with ongoing positive engagement with staff and stakeholders.

Communications and Engagement

1. Develop a robust communications structure to allow NHS Orkney to meet the communication and engagement needs of the organisation;
2. Engagement across the entire organisation led by the Chief Executive to discuss the Sturrock Report and shape the action plan going forward;
3. Informal 'chats' with staff and CEO. No set agenda with staff having the opportunity to speak directly to the CEO;
4. Designation of a Senior Leader as our Clinical Engagement Champion to foster and facilitate a high level of engagement with clinical staff;
5. Regular briefings with APF and Clinical Advisory for a to plan development and progress.

6. Development of a comprehensive communication and engagement strategy to ensure all stakeholders are engaged and informed about the organisation via a range of communication tools and channels.

Human Resource Processes

1. Appropriate staff provided with skills and confidence to undertake a consistent quality approach to timely investigations;
2. A single point of contact within HR to enable staff to report any issues or concerns as they rise;
3. Ensure a robust HR and OD structure is in place to enable NHS Orkney to develop an effective and fit for purpose workforce strategy and infrastructure providing a sustainable, skilled and capable workforce to deliver high quality and person centred care now and in the future;
4. Information on whistleblowing cases reported to the Staff Governance Committee for monitoring and assurance purposes to ensure that investigations are carried out in a timely and appropriate way;
5. Increase staff awareness on how to raise concerns and the various channels available;
6. Undertake an immediate review of all live suspensions to ensure that suspensions are used appropriately and for as short a period as possible;
7. Supported by Once for Scotland policies, promote and encourage the appropriate use of informal methods such as mediation, pastoral care, group facilitation and coaching to managers and staff;
8. Review and improve workforce performance information to NHS Orkney Board, Staff Governance Committee, Area Partnership Forum and other fora as required to provide assurance on workforce performance metrics and monitor improvement where required.

Workforce Development

1. Refresh, expand and develop the existing induction programme to incorporate Board, local, statutory and mandatory requirements;
2. Ensure leaders and managers are connected to their teams and operating effectively through the provision of appropriate training for team development. Develop alignment through team and individual objectives and job planning for clinical staff;
3. Training for managers on having difficult conversations to increase confidence and competence in managing staff;
4. Senior Leadership team development to ensure the organisation is led effectively and fit for the future;
5. Develop and implement a Workforce Strategy in partnership, covering key themes, Effective and Sustainable Workforce, Healthy Organisational Culture, Effective Leadership and Management, Capable Workforce and an Integrated Workforce;
6. Review the role and functioning of the advisory structures in order to engage clinicians in the development of strategy;
7. Develop a succession planning framework which aligns with NHS Scotland's

Project Lift to identify staff with the attributes to become leaders and managers of the future;

8. Ensure that the organisation builds upon the high level of engagement via imatter taking forward the key messages and incorporating them into forward strategies;
9. Roll out leadership and management development programme to ensure they have the necessary skills and demonstrate the organisation's values in the way they work, including Bullying Behaviours - How to Handle and How to Avoid

Support for Staff

1. Access to mediation is required as a preventative and restorative measure providing a safe space for people to talk. This is essential for both those perceived as 'victims' as well as those perceived as 'perpetrators' for healing to occur;
2. Trained individuals to be available as confidential contacts within the organisation to support staff who have concerns. The contact officers will also be able to signpost for options of how to manage situations;
3. Explore options for staff to access counselling or therapy where required.

Governance

1. A formal induction and ongoing training programme for both Executive and Non Executive board members;
2. Board members to be fully trained in respect of their role relating to corporate governance;
3. Staff Governance Committee to receive progress reports at every meeting on agreed actions.

Section 5 Consultation

There is no requirement for a consultation.

Appendices

There are no appendices for this paper.

Not Protectively Marked

NHS Orkney Board – 26 June 2019 Report Number: OHB1920-15 This report is for noting Integration Joint Board – Vice Chair and Audit Chair arrangements	
Lead Director Author	Gerry O'Brien, Chief Executive Emma West, Corporate Services Manager
Action Required	The Board is asked to: <ul style="list-style-type: none"> • Note the reviewed and updated Integration Joint Board Vice Chair and Integration Joint Board Audit Committee Chair appointments
Key Points	The Chair of the Integration Joint Board rotates between NHS Orkney and Orkney Islands Council, this has now reverted to Orkney Islands Council and Cllr Rachael King has taken over as Chair.
Timing	The membership of the Integration Joint Board is reviewed every two years as stated in the integration scheme.
Link to Corporate Objectives	The Corporate Objectives this paper relates to: <ul style="list-style-type: none"> • Create an environment of service excellence and continuous improvement;

Not Protectively Marked

NHS Orkney Board – 26 June 2019

Governance Committee Membership

Emma West, Corporate Services Manager

Section 1 Purpose

The purpose of this report is to provide the Board with information on appointments to the Vice Chair of the Integration Joint Board and Chair of the Integration Joint Board Audit Committee.

Section 2 Recommendations

The Board is asked to note the appointments made

- Integration Joint Board Vice Chair – David Drever
- Integration Joint Board Audit Chair – Davie Campbell

Section 3 Background

The Integration Scheme states this as follows:

Chair and Vice-chair

An Elected Member of the Council will be appointed to the role of Chair/Vice Chair by the Council and be one of the Elected Members on the Board.

A Non-Executive Member of the Health Board will be appointed to the role of the Chair/Vice Chair by the Health Board and be one of the Non- Executive Health Board Members on the Board.

Period of Office

The initial appointment of the Chair and Vice Chair will be until the end of April 2017. The Chair and Vice Chair will then rotate every two years. The Chair will not have a casting vote. All other appointments with the exception of the Chief Officer, Chief Financial Officer of the Board and the Chief Social Work Officer, who are members of the Board by virtue of the Regulations and the post they hold, will be for a period of two years.

In addition, individual Board appointments will be made as required when a position becomes vacant for any reason. Any member of the Board can be appointed for a further term.

Not Protectively Marked

NHS Orkney Board Meeting –June 2019	
Report Number: OHB1920-16	
This report is for discussion and noting	
Title of report: Infection Prevention and Control Report	
Lead Director Author	Marthinus Roos, Medical Director Rosemary Wood, Infection Control Manager
Action Required	The Board is asked to discuss and note the update report
Key Points	<ul style="list-style-type: none"> NHS Orkney's validated <i>Staphylococcus aureus</i> bacteraemia (SAB) is 3 cases at time of report for Q1 (Apr-June 2019). NHS Orkney is within its LDP for 2019-20. (RAG Status GREEN) NHS Orkney's validated <i>Clostridium difficile</i> infection (CDI) cases to date is zero at time of report (Apr-June 2019). NHS Orkney is within its LDP for 2019-20. (RAG Status GREEN) 100 hand hygiene observations undertaken during June 2019 with an overall 98% compliance for both opportunity and technique.(RAG Status Green) NHS Scotland National Cleaning Services Domestic and Estates for month of May 2019 has been manually collected rather than electronically as the regional domestic monitoring tool is currently unavailable. Norovirus – no hospital bay or ward outbreaks reported since Feb 2012. Norovirus season has been declared through Health Protection Scotland.(RAG Status GREEN) Education uptake for Standard Infection Prevention and Control Education Pathway (SIPCEPs) continue to increase, with a further push to have baseline modules completed prior to moving to new healthcare facility.(RAG Status GREEN)
Timing	This paper is presented to the Board bi-monthly in the Scottish Government's prescribed template.
Link to Corporate Objectives	The Corporate Objectives this paper relates to: <ul style="list-style-type: none"> Create an environment of service excellence and continuous improvement Improve the delivery of safe, effective and person centred care and our services
Contribution to the 2020 vision for Health and Social Care	The work and information referred to in this report supports the organisation in its contribution to the 2020 vision for Health and Social Care in relation to Safe and Effective Care.

Benefit to Patients	Safe clinical practices, a clean environment and patient care equipment protect patients from the risk of Healthcare Associated Infection (HAI).
Equality and Diversity	Infection Control policies apply to all staff and patient groups. These are based on NHS Scotland HAI policy and guidance. Health Protection Scotland (HPS) and Healthcare Improvement Scotland (HIS) conduct equality impact assessment on all HAI national guidance, policy and standards. The hand hygiene, Standard Infection Control Precautions (SICPs) and cleanliness audit results reported are a mandatory HAI requirement related to national policy and guidance.

Healthcare Associated Infection Reporting Template (HAIRT)

Section 1 – Board Wide Issues

This section of the HAIRT covers Board wide infection prevention and control activity and actions.

A report card summarising Board wide statistics can be found at the end of section 1

LDP Standard 1st April 2019 to 31st March 2020 for *Staphylococcus aureus* bacteraemia (SAB)

The Healthcare Associated rate is per 100,000 bed days and Community Associated rate is per 100,000 populations. Small changes in the number of SAB cases in NHS Orkney, will significantly affect their overall compliance.

NHS Orkney's validated *Staphylococcus aureus* bacteraemia (SAB) cases is 3 at time of this report for Q1 (Apr-Jun) 2019/20. This is a higher incidence during one quarter which requires an in depth root cause analysis to be carried out. None were PVC related, however full root cause analysis is yet to be completed. Prior to these 3 reported cases Apr –Jun 2019 the last reported case was Nov 2018.

LDP Standard 1 st April 2019 -31 st March 2020 <i>Staphylococcus aureus</i> bacteraemia (SAB) For NHSO no more than 3 cases per year but aim for zero.		
Quarter 1.	April - June	3 cases
Quarter 2	July - September	
Quarter 3	October - December	
Quarter 4	January - March	

Clostridium difficile

The standard is to achieve a reduction *Clostridium difficile* infection (CDI); Healthcare associated cases per 100,000 bed days (ages 15 & over) and community associated cases per 100,000 populations (ages 15 & over). Small changes in the number of *Clostridium difficile* infection (CDI) cases in NHS Orkney, will significantly affect the overall compliance. Every board aims for zero cases or a reduction in previous year. Although Health Protection Scotland have set a target of 3 cases per year for our board, NHSO aim for zero preventable cases.

NHS Orkney has had zero Hospital Associated *Clostridium difficile* infection (CDI) case for LDP Q1 (Apr-Jun) 2019/20. Last reported C.diff case was December 2018 which was part previous years quota..

LDP Standard 1 st April 2019 - 31 st March 2020 <i>Clostridium difficile</i> infection (CDI)		
Quarter 1.	April-June	zero
Quarter 2	July-September	
Quarter 3	October-December	
Quarter 4	January- March	

Hand Hygiene

Hand hygiene continues to be monitored by each clinical area through their Departmental Standard Infection Control Precautions (SICPs) with a 98% compliance rate which continues above the national target of 95%. The Infection Prevention & Control Team carry out bi-monthly Quality Assurance (QA) hand hygiene audits.

On this occasion the IPC team have asked teams to vet 10 observations except acute where they carried out 20, all on same date, this equated to 80 observations and a further 20 quality assurance observations carried out by the Nurse Manager. Results were as follows;

100 Observations undertaken during June 2019

Overall results for hand hygiene

Jun-19	No of Obs	Opportunity	Technique	Overall %
Nurses	78	78	78	100%
Medical	11	10	10	98%
AHPs	9	9	9	100%
Other	2	1	1	50%

Overall compliance with opportunity and technique was 98%. This number is indicative of a small number of failed opportunities (two on this occasion) which reflect in a huge variance in percentage scores.

Some staff on this occasion did not feel confident in taking the opportunity to challenge fellow staff members when they did not see hand hygiene undertaken; which is reflected in this audit. If the staff member had challenged the individuals, the score may have been different as the person would have had the opportunity to say when they last performed hand hygiene.

Cleaning and the Healthcare Environment

The National Target is to maintain compliance with standards above 90%

The NHS Scotland National Cleaning Services Specification for NHS Orkney for period 31st May 2019 has been carried out manually and results are still to be uploaded onto the domestic monitoring tool. This regional tool is currently out of action. The results provide a snapshot of an area not the whole department or ward; as areas are randomly selected each month.

Outbreaks

Norovirus

There has been no hospital ward or bay closures due to norovirus since last report. Last reported hospital outbreak was February 2012. The latest figures on norovirus reported to HPS by NHS Boards show increased norovirus activity <http://www.hps.scot.nhs.uk/giz/norovirusdashboard.html>. Therefore NHS boards are to implement their active plans.

NHS Orkney Surgical Site Infection (SSI) Surveillance

NHS Orkney participates in a national infection surveillance programme relating to specific surgical procedures such as Caesarean sections, hip fractures and large bowel surgery. This is coordinated by Health Protection Scotland (HPS) using national definitions and methodology which allows comparison with overall NHS Scotland infection rates. These results are now being fed through NSS Discovery for Boards to view.

IP&C audits

All audits are complete for this build and are within the 6 monthly timeframes, however spot checks will continue until we move to new healthcare facility.

New builds audits are being undertaken as soon as departments have been released and are ready for inspection.

Education update

Standard infection Prevention and Control Education Pathway (SIPCEPs) was introduced in June 2017. Staff have been set a challenge to have completed some baseline module prior to moving to new healthcare facility.

Healthcare Associated Infection Reporting Template (HAIRT)

Section 2 – Healthcare Associated Infection Report Cards

The following section is a series of 'Report Cards' that provide information for each acute hospital and key non acute hospitals in the Board, on the number of cases of *Staphylococcus aureus* blood stream infections and *Clostridium difficile* infections, as well as hand hygiene and cleaning compliance. In addition there is a single report card which covers all non acute hospitals [which do not have individual cards] and a report card which covers *Clostridium difficile* specimens identified from non hospital locations e.g. GPs, hospices, care homes, prisons etc. The information in the report cards is provisional local data and may differ from the national surveillance reports carried out by Health Protection Scotland (HPS) and Health Facilities Scotland (HFS). The national reports are official statistics which undergo rigorous validation which means final national figures may differ from those reported here. However these reports aim to provide more detailed and up-to-date information on healthcare associated infection activities at local level than is possible to provide through the national statistics.

Understanding the Report Cards – Infection Case Numbers

Clostridium difficile infections (CDI) and *Staphylococcus aureus* bacteraemia (SAB) cases are presented for each hospital, broken down by month.

☐ Healthcare associated cases

For each hospital the total number of cases for each month are included in the report cards. These include those that are considered to be **hospital acquired** i.e. reported as positive from a laboratory report on samples taken more than 48 hours after admission and **healthcare associated** in which the patient has a positive sample taken from within 48 hours of admission and the patient has also had healthcare interaction in the previous 30 days for SAB or 12 weeks for *Clostridium difficile*.

☐ Community associated cases

For community associated cases, the patient has had no healthcare interaction as specified in the time frame above, however the specimen was obtained from a current hospital in-patient that did not meet the reporting criteria for a healthcare associated case.

More information on these organisms can be found on the HPS website:

***Clostridium difficile*:**

<http://www.hps.scot.nhs.uk/haic/sshaip/clostridiumdifficile.aspx?subjectid=79>

***Staphylococcus aureus* Bacteraemia**

<http://www.hps.scot.nhs.uk/haic/sshaip/mrsabacteraemiasurveillance.aspx?subjectid=D>

Understanding the Report Cards – Hand Hygiene Compliance

Hospitals carry out regular audits of how well their staff are complying with hand hygiene. The Board report card presents the combined percentage of hand hygiene compliance with both opportunity taken and technique used broken down by staff group.

Understanding the Report Cards – Cleaning Compliance

Hospitals strive to keep the care environment as clean as possible. This is monitored through cleaning and estates compliance audits. More information on how hospitals carry out these audits can be found on the HFS website: <http://www.hfs.scot.nhs.uk/online-services/publications/haic>

NHS ORKNEY REPORT CARD

Staphylococcus aureus bacteraemia monthly case numbers

C = contaminated sample

P = Provisional not yet validated.

	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	
Healthcare Associated	0	0	0	0	1	0	0	0	0	0	0	0	TBC	
Community Associated	1	0	0	0	0	1	0	0	0	0	0	0	TBC	
Total	1	0	0	0	1	1	0	0	0	0	0	0	TBC	

Clostridium difficile infection monthly case numbers

	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	
Healthcare Associated	1	0	0	0	0	1	0	0	0	0	0	0	0	
Community Associated	0	0	2	2	0	0	1	0	0	0	0	0	0	
Total	1	0	2	2	0	1	1	0	0	0	0	0	0	

Quality bi-monthly assurance to the Board - Hand Hygiene Monitoring Compliance (%)

	Dec 17	Feb 18	Apr 18	Jun 18	Aug 18	Oct 18	Dec 18	Feb 19	Apr 19	Jun 19	Aug 19	Oct 19	Dec 19	Feb 19	
Board Total	95%	94%	96%	95%	97%	94%	96%	96%	100%	98%					

Cleaning Compliance (%) Domestic

	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	
Board Totals	96%	94%	97%	91%	96%	95%	96%	94%	95%	95%	90%	95%	TBC	

Estates Monitoring Compliance (%)

	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	
Board Totals	99%	97%	99%	99%	97%	99%	97%	98%	98%	98%	97%	99%	TBC	

Not Protectively Marked

NHS Orkney Board – 26 June 2019 This report is for noting Area Clinical Forum Chair's Report	
Author	Steven Johnston, Chair Area Clinical Forum
Action Required	<p>The Board is asked to:</p> <ol style="list-style-type: none"> 1. <u>Note</u> the minutes and summary document
Key Points	<p>This report is to present the:</p> <ul style="list-style-type: none"> • Summary of the Joint Development Session • Minute 5 April 2019
Timing	<p>The June meeting of the Area Clinical Forum was cancelled due to the move to the new Hospital and Healthcare Facility. This was in recognition that staff would be extremely busy preparing for the move and part of a decision to minimise all meeting commitments at this time.</p>
Link to Corporate Objectives	<p>The Corporate Objectives this paper relates to:</p> <ul style="list-style-type: none"> • Improve the delivery of safe, effective patient centred care and our services; • Optimise the health gain for the population through the best use of resources; • Pioneer innovative ways of working to meet local health needs and reduce inequalities; • Create an environment of service excellence and continuous improvement; and • Be trusted at every level of engagement.
Contribution to the 2020 vision for Health and Social Care	<p>The work of the Area Clinical Forum is supporting the delivery of the 2020 vision for health and social care by ensuring that a co-ordinated clinical and professional perspective and input is provided to the Board when decisions are made regarding clinical matters.</p>
Benefit to Patients	<p>Active engagement of all parties is essential for NHS Orkney to achieve continuous improvements in service quality which deliver the best possible outcomes for the people of Orkney.</p>
Equality and Diversity	<p>No specific equality and diversity elements to highlight.</p>

Area Clinical Forum

'The primary purpose of the ACF is to distil the work of the Advisory committees and to be a conduit of information and opinions between the clinical community and the Board.'



Summary of the joint Area Clinical Forum and Area Partnership Forum Development Session held Friday 3rd March 2019

Health and Care (Staffing) (Scotland) Bill

Present:	<i>Steven Johnston</i>	<i>ACF Chair, ADC secretary</i>
	<i>Fiona MacKellar</i>	<i>Employee Director</i>
	<i>Nigel Pendrey</i>	<i>ADC Chair</i>
	<i>Judy Sinclair</i>	<i>Excellence in Care Lead</i>
	<i>Sally Shaw</i>	<i>Chief Officer</i>
	<i>Maureen Swannie</i>	<i>Head of Children's Health Services</i>
	<i>Caitriana McCallum</i>	<i>BDA rep (Dietetics)</i>
	<i>Lindsey Kolthammer</i>	<i>Clinical Lead Dietetics</i>
	<i>Mike Beach</i>	<i>Radiology Services Manager</i>
	<i>Kate Smith</i>	<i>TRADAC chair/SoR rep</i>
	<i>Sylvia Tomison (VC)</i>	<i>NAMAC chair</i>
	<i>Pam Marwick</i>	<i>Clinical Lead Occupational Therapy</i>
	<i>Jay Wragg</i>	<i>Dental Clinical Lead</i>

The session opened with a presentation from David McArthur, Director of Nursing, Midwifery and Allied Health Professionals and Lynn Adam Senior Nurse, Nursing and Midwifery Workload and Workforce Planning Programme. The presentation gave a summary of the Safe Staffing Bill work to date and the next steps. A copy of the presentation is attached.

The presentation was followed by a discussion around the table with the key points summarised below:

- Important to have an appropriate clinical advisor for decisions and must have the procedure for feedback to staff
- The tools proposed are nursing specific and do not reflect the complexities for AHP professions and are currently not supported by the relevant professional bodies.
- So far Emergency Department is the only multidisciplinary tool (reviewed twice per year).
- Developing tools to ensure consideration of single rooms, CMHT, community nursing etc.
- Sanctions for organisations are not clear if Staff Staffing bill requirements not honoured.

- Predicted absence in nursing of 22.5% is too low. The revision of this across all disciplines allows for an opportunity to ensure staff have dedicated time to contribute to the advisory committees or unions in partnership with staff side.
- Recruitment and retention an issue and training needs to be encouraged where there are shortages.
- RCN involvement in the development of the Bill welcomed
- Not currently suitable for AHPs (who as a collective continue to oppose the Bill) and other specialties and these groups need to be consulted on the further development.
- Remote and Island areas specifically raised in Parliament which was welcomed
- Suggestion to restrict agency costs concerning although locally may be able to exceed these limits with good reason.
- Excellence in Care also have plans to expand out to other specialties
- Professional judgement aspect of the Bill extremely important, especially an Island setting.
- There is a need to empower staff – they need to collect information and evidence.
- Clarity was sought over the use of systems to escalate staffing issues: was this via DATIX? This may be at the discretion of each Board but the important aspect is that a record is kept and staff receive feedback – communication is key. HIS will review this.
- Further APF/ACF input would be useful as the tools develop with the managers and budget holders also in the room.

Orkney NHS Board

Minute of meeting of **Area Clinical Forum of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital** on **Friday 5 April 2019** at **12.15pm**.

Present: Steven Johnston, Chair (ADC)
Adelle Brown (APC)
Helen Clouston (NAMAC)
Moraig Rollo (TRADAC)
Charlie Siderfin (AMC)
Kate Smith (TRADAC)
Sylvia Tomison (NAMAC) by VC
Chris Woolham (APC)

In Attendance: Issy Grieve, Non Executive Board Members
Lauren Johnstone, PA to the Director of Public Health (Minute Taker)
David McArthur, Director of Nursing, Midwifery and Allied Health Professionals

1 **Apologies**

Apologies were received from Jane Fee, Lindsey Kolthammer, Nigel Pendrey and Louise Wilson.

2 **Declaration of interest – Agenda items**

No interests were declared in relation to agenda items.

3 **Minute of meeting held 7 December 2018**

The minute from the meeting held on the 7 December 2018 was accepted as an accurate record of the meeting, subject to the amendments noted below and was approved on the motion of K Smith seconded S Johnston.

- 115 Chairman's Report from the Board and ACF Chair's Group – Page 2, Paragraph 2 – "include" to be changed to "included".
- 119 Advisory Committee Reports – Page 4, Paragraph 1 – K Smith clarified that issues were identified within the dissemination of policies and procedures through the management structure once approved.

4 **Matters Arising**

5 **Area Clinical Forum Action Log/ Recurring Agenda Items for Area Clinical Forum**

The Action Log was reviewed and corrective action agreed on outstanding issues (see action log for details).

Adelle Brown attended the meeting

6 **Chairman's report from the:****Board**

The Chair provided members with an update from the December Board meeting highlighting the following:

- EU Withdrawal
- Risk Management Strategy and training implications
- Positive Infection Control report
- Lack of quoracy within the Professional Advisory Committees
- Verbal update on Realistic Medicine
- NHS Orkney Board had agreed to cover the costs for the Area Clinical Forum Chairs Group Coordinator funding for the 6 months up to September 2018 but another more satisfactory arrangement would need to be found. It has since been confirmed that this would not be funded by the Scottish Government.

The Chair provided members with an update from the March Board meeting highlighting the following:

- Cost pressures resulting from locum use
- Patient travel increased by 318 more passengers travelling compared to the same period last year.
- Radiography vacancies. K Smith advised that interviews were taking place next week.
- Financial Position – In a break even position
- Verbal update from the Area Clinical Forum Development Session on Improving Clinical Engagement

ACF Chairs' Group

Members were advised that J Freeman, Cabinet Secretary for Health and Sport attended the most recent Area Clinical Forum's Chairs Group meeting. There was positive discussion around the Annual Review and she was keen to gather thoughts from members on the process. Members of the Area Clinical Forum Chair's group discussed the Gosport report, something which would be discussed further by the Area Clinical Forum.

7 **Advisory Committee Reports****NAMAC**

H Clouston advised that the last NAMAC meeting was not quorate and therefore no update was given. The next meeting is scheduled in April.

AMC

C Siderfin advised members of the ongoing issues with quoracy due to consultant availability. It was proposed that a hospital sub group, similar to the GP Sub Committee would be established and the chairs of these committees would meet to discuss any issues. With the imminent retirement of two substantive consultants, locums would be relied on to input clinically which could be challenging.

Members of the AMC raised concern to the progress of the Autism Diagnosis Pathway. C Siderfin informed members that the two pathways (Education and Health) were not linked and it had become apparent that some patients had received conflicting diagnosis. There was

8.2.1

strong support for an adult pathway to be established and members felt that the current referral process through NCAP was not a substantive solution.

C Siderfin highlighted the referral issues within templates of SCI Gateway. Templates were out of date and unable to be changed unless done so by NHS Grampian. It was noted that longer established staff members were aware of the issues however it would be very difficult for a new staff member to refer a patient correctly. It was confirmed that J Kirk and C Bichan had picked this up through the GP Sub Committee and identified issues that could be resolved by the IT team in NHS Orkney.

Post meeting note: Richard Scanlan (eHealth systems specialist) currently working on this. A list of alterations has been proposed and he is in discussion with relevant outside bodies to implement necessary changes.

APC

A Brown advised there had been no recent meeting and confirmed members of the APC were receiving any correspondence forwarded from the Area Clinical Forum.

ADC

The Chair advised there had been no recent meeting.

TRADAC

K Smith advised members that the group had last met in January. She added that a number of staff members were requested to provide evidence in a child protection case which had raised a number of issues. It was apparent that staff were uncomfortable around the position they were in and looked to seek legal advice, however, found that it was not available. K Smith informed members that the staff member was approached because of recent care provided to the parent of the child in question and did not relate directly to the child.

Members agreed it was not appropriate for the ACF to become involved in the specifics of this individual case but it does highlight a potential wider issue. A discussion was held around the availability of indemnity for different clinician groups. Members expressed concern if there is a potential gap which would leave some clinicians vulnerable.. C Siderfin queried if the Central Legal Office (CLO) would provide advice to individuals through the organisation. K Smith added that HR had been contacted in a similar situation previously, but could not provide a lawyer as our provision was through Grampian. Members queried if the issue should be added to the risk register. M Rollo suggested informing the Employee Director. The Chair agreed and confirmed a letter would be sent.

Members were concerned that there may be further staff members seeking assistance that were unable to access it. M Rollo suggested that the Director of Nursing, Midwifery and Allied Health Professionals engaged with staff to ensure that they were made aware of how to access this information. The Director of Nursing, Midwifery and Allied Health Professionals confirmed he was happy to be approached by the individual however, in this instance was reluctant to investigate further until knowing the full situation. It was suggested that reference was made to the Staff Called Witness Policy.

K Smith agreed to discuss further with members of TRADAC and feedback to the Area Clinical Forum.

The second item highlighted from TRADAC was the pathways involved for the dissemination of policies. K Smith commented that policies were regularly brought to committees for review and

8.2.1

comment but were rarely re-circulated when approved or when changes had been made.

The Chair reminded members that policy owners were not obliged to take on comments made by Professional Advisory Committees. He added that managers should attend the Quality and Safety meeting and disseminate any approved policies throughout their departments as required.

Members were in agreement that updates should be posted on the blog for information.

I Grieve agreed to raise the issue to the Clinical and Care Governance Committee and feedback to the Area Clinical Forum.

GP Sub Committee

Members noted the chairs report sent from K Cole, Chair of the GP Sub Committee which highlighted the main concerns of the meeting held on 13 March 2019.

The Committee had raised concern at the outstanding tasks in the absence of a GP Lead. C Siderfin informed members that the issue was under discussion, but could not provide further information at present.

Clarity was sought around funding within the Primary Care Improvement Plan. C Siderfin commented that there were issues within the plan which included the lack of capacity to deliver. In the first year, the Board has struggled to manage the day to day work load along with the delivery of the plan and felt that too much was expected of staff. M Rollo added that no decision had been made to the MSK and CAAPS presentations delivered in the February meeting.

Development Sessions

8 Topic for future Development Session

The Chair confirmed that the next Development Session of the Area Clinical Forum would be jointly hosted with the Area Partnership Forum. The Director of Nursing, Midwifery and Allied Health Professionals had kindly agreed to present the Safe Staffing Bill.

Suggestions for the July Development Session were:

- Realistic Medicine – Fourth CMO Annual Report due soon.
- Community Led Support – Strongly liked to effective conversations and Realistic Medicine
- Life Curve - Also to be discussed at the ACF Chair's Group
- Gosport Report

9 Update from November Development Session – Improving Clinical Engagement – ACF1920-01

The Chair drew member's attention to the update paper provided from the March Development Session. The Chair requested that the update paper was circulated throughout the Advisory Committees. Members were updated on progress made since the Development Session. It was suggested that the Clinical and Care Strategy designed by NHS Fife included within the papers, could be adapted for use within NHS Orkney. Members strongly supported the idea of a lead executive or sponsor allocated to each committee to assist in driving forward business

8.2.1

and setting relevant agendas.

The Chair advised that the issues around quoracy of the Area Medical Committee were being addressed with assistance from the Chief Executive. M Rollo added that it was important that the hospital sub group had a robust advisory committee structure. The Chair suggested that more involvement should be requested from locums to enable these meetings to be successful but members agreed this would be challenging.

It was agreed to include this item on the June Area Clinical Forum agenda.

10 **Autism Spectrum Pathway Disorder – ACF1920-02**

The Chair drew member's attention to the report submitted by M Swannie, M Mackie and M Rollo. The Chair understood that a pathway was in motion and confirmed that currently patients were not being delayed or denied diagnosis.

It was confirmed that part of the delay in the implementation of the new pathway was due to change of ownership. M Rollo advised members that there were currently two pathways; adult and paediatric. She confirmed that adult referrals went to the NCAP panel. A multidisciplinary assessment group made up of OT Speech and Language, Education Psychologists and OT Community was working well. She added that an initial assessment of the referral was arranged and then the most appropriate clinicians in assisting the child to move forward were pulled together. Unfortunately due to a lack of administration support, the clinicians were taking this on, encroaching on potential clinic time. M Rollo concluded that the pathway was not finalised and M Mackie was continuing to work hard to progress the pathway to a stage where the group were comfortable sharing to the Professional Advisory Committees.

C Siderfin queried the status of the second paediatric pathway. M Rollo confirmed that both pathways had been married together and would soon be ready for circulation.

Decision/Conclusion:

M Rollo praised the work of the team working hard in getting the pathway complete and in use. I Grieve and the Chair agreed to highlight the progress to the Clinical and Care Governance Committee.

11 **New Hospital and Healthcare Facility Update**

R Walker attended to update members on progress made within the new Hospital and Healthcare facility. She advised members that monthly migration workshops were taking place which had been of good attendance. All departments were developing their IT Scope of works and each team were working against a department tracker, identifying pre and post move tasks. R Walker commended the ownership and detailed information provided from teams.

Staff tours had commenced and lots of positive feedback had been received. Familiarisation tours for departments would begin to take place next. R Walker advised that deliveries of equipment was arriving daily ready for installation.

R Walker reminded members of the proposed moving dates throughout departments.

R Walker confirmed that communication was disseminated throughout teams informing them of arrangements for clinics. Clinics were advised to leave every third appointment unallocated to allow for delays.

8.2.1

A Brown questioned if the security doors would be in operation after the move and how access would be gained. R Walker informed members that work was ongoing to process new identity cards which would also act as door passes; however that this could only be done when all doors in the new build were programmed. Members were reassured that alternative access was available if any staff member had not been issued with a new badge prior to the move.

Decision/Conclusion:

Members of the Area Clinical Forum thanks R Walker for the update provided and expressed excitement at the prospect of moving.

12 Annual Review – Feedback received from Scottish Government

The Chair drew members attention to the feedback letter received from the Scottish Government based on the annual review.

Decision/conclusion:

Members noted the feedback received.

13 Gosport Report

The Chair gave members a brief overview of the Gosport Report. Unfortunately due to time constraints members were unable to discuss this fully. The Chair agreed to produce a summarised report and circulate throughout the Professional Advisory Committees.

The Director of Nursing, Midwifery and Allied Health Professionals advised members that the Board would receive further information on the matter and planned to collate a formal response.

Decision/Conclusion:

The Gosport Report would be picked up again at the next Area Clinical Forum meeting for further discussion.

Governance

14 Symptom Control in the Last Days of Life – Adult Guidelines – ACF1920-03

The Director of Nursing, Midwifery and Allied Health Professionals was in attendance to discuss the guidelines of Symptom Control in the Last Days of Life on behalf of Jane Fee, Senior Nurse in Macmillan House. He advised that comments had been received from the Area Medical Committee (AMC), GP Sub Committee and Nursing and Midwifery Advisory Committee (NAMAC) and that a new version would be produced factoring in the feedback received. The Chair highlighted that the guidelines would require updating once based in the new hospital to reflect the new naming of areas.

Decision/Conclusion

Members noted the policy and agreed to discuss further on receipt of the updated version.

15 SOP Suicide Review – ACF1920-04

R Dijkhuizen attended the meeting to present the Suicide Review SOP seeking comment and

8.2.1

feedback.

R Dijkhuizen advised members that government had made recent changes to the expectations when reviewing a suicide case. Initially a review was due for a patient who had been involved with the Mental Health Services. He added that this was changed to include any patient that had committed suicide within a week of discharge, and most recently updated to cover any patient that had been seen by Mental Health Services at any point; however there is a general feeling locally that reviews should be carried out for any suicide.

S Shaw was approached and asked to consider the notification of the review and to assist with the completion. Meetings with various groups including the CMHT, Police and Primary Care provided valuable contribution to the SOP which was drafted. It is anticipated that the SOP would be a living document and continually improved upon.

Members of the Committee were informed that the process was initiated by the Procurator Fiscal receiving notification of a sudden death, where an explanation was not certain. Review is then undertaken by the Weekly Incident Review Group and submitted to the Chief Officer of Orkney Health and Care. Both the IJB and the Quality and Safety Group are notified of the review and would receive a summary or copy of the review for information. It was agreed that the report would be submitted to the IJB to consider any learning within community aspects for the future. R Dijkhuizen commented that this was a positive move forward.

The Chair commented that discussion on the dissemination of policies had previously taken place and suggested that a generic email address for the Adult Lead Support was used instead of a personal address. R Dijkhuizen agreed and would amend this. The Chair drew attention to the paragraph headed 'Review Purpose' and queried whether the wording 'The review will be fully anonymised' should be changed to 'The review will be anonymised as best possible'. R Dijkhuizen agreed that this was hard to promise however, if at any point the individual(s) involved became the central point of focus, the review of the SAE would be stopped right away. The purpose of the SAE was to learn. Members agreed that anonymisation was difficult in Orkney and that it was vital that no individual(s) were blamed.

M Rollo requested clarity of the makeup of the group. It was confirmed that M Firth Head of Primary Care Services, S Shaw Chief Officer, R Bland Clinical Governance Support, A Colbourn Veitch CMHT and a representative from Police Scotland were present. She commented that the abbreviations within the document were difficult to understand without the key listed in the above paper. R Dijkhuizen agreed to expand on the abbreviations listed.

C Siderfin advised that having undertaken a number of these reviews, the processes were challenging. Ensuring that the timing of the review was appropriate, not appearing insensitive by approaching those involved too soon nor leaving it too late was hugely important. R Dijkhuizen explained that there was no certainty of the constitution for this group and that it was dependant on the situation. He added that those involved in the process were required to be well prepared. C Siderfin suggested guidance was available for these individuals. Evidence shows that these reviews could be damaging for those involved, and the factor of anonymisation contributed to a large part of this.

Members agreed that external reviews threw away learning opportunities and could be a very slow process. It was suggested there was potential to link up with other island Boards with an understanding of the community we live in to provide a service

Decision/Conclusion

R Dijkhuizen thanked members for their contributions and agreed that guidance for those

involved would be looked into further.

For information and noting

16 **Key legislation issued – ACF1920-05**

Members noted the key legislation issued since the last meeting.

17 **Correspondence**

No correspondence had been received.

18 **Area Partnership Forum minutes**

Members noted the minutes from 20 November 2018 and 18 December 2018.

19 **Learning and Education Steering Group**

Members noted that the group no longer met.

20 **Occupational Health & Safety Committee**

Members noted the minutes from 27 November 2018.

21 **Quality and Safety Group minutes**

Members noted the minutes from 17 October 2018.

22 **Transformational Implementation Programme Board minutes**

Members noted the minutes from 17 October 2018 and 28 November 2018.

23 **Communication and Engagement Group minute**

Members noted the minutes from 13 November 2018 and 4 December 2018.

24 **Digital Medical Records Project**

Members noted the minutes from the 20 December 2018 and 17 January 2019.

25 **Risk Register Report**

No report available.

26 **Infection Control Report – ACF1920-06 and ACF1920-07**

Members noted both reports submitted.

27 **Agree any items for onward reporting:**

It was agreed that the following items would be reported to:

Clinical and Care Governance Committee

8.2.1

- Ensuring completed policies/pathways etc are disseminated and staff are aware of implications.

The Board

- Development session output
- Indemnity concerns

28 **Any other competent business**

Use of Endowment Funds

The Chair reminded members of the availability of Endowment Funds. The Sub Committee had recently met with fund holders and clarified the process of applying, in attempt to break down barriers which had been fed back from staff. The Sub Committee encouraged anyone with ideas of spend to discuss with line managers or a member of the Committee if required, to assist in submitting a bid.

29 **Schedule of Meetings 2018/19**

Members noted the schedule of meetings for 2019 / 20.

30 **Record of Attendance**

Members noted the record of attendance.

31 **Committee Evaluation**

I Grieve commended the discussion and engagement held between staff.

The Chair commented that it was great to see new faces along with those who had been unable to attend for some time.

Due to a heavy agenda the meeting ran over schedule however the Chair was grateful that available staff had remained to continue good discussion.

Not protectively marked

NHS Orkney Board Report Number: OHB1920-17 This report is for noting. PATIENT FEEDBACK ANNUAL REPORT – 2018/19	
SMT Lead Author	Christina Bichan Head of Transformational Change & Improvement Julie Tait Patient Experience Officer
Action Required	The Board is asked to: 1. <u>note</u> the Patient Feedback Annual Report
Key Points	<ul style="list-style-type: none"> ➤ The number of complaints received has decreased in the second year since the introduction of the new Complaints Handling Procedure. ➤ During the year we have received and handled 52 Early Resolution Complaints and 33 Investigation Complaints. ➤ We received one complaint at Early Resolution stage which was later escalated to Investigation Stage. ➤ 77 % of Early Resolution complaints have been responded to within the 5 day timescales. ➤ 36% of Investigation complaints were responded to within 20 days. ➤ Trends are difficult to identify due to the wide range of topics identified. However, waiting times has again this year been identified as an issue for our patients along with the quality and experience of clinical care. ➤ The majority of complaints were recorded within Hospital Acute Services. ➤ There has been an increase in patients contacting their MSP to make a complaint on their behalf. ➤ Our staff continue to undertake the online Complaints and Feedback training modules regularly.
Timing	To be considered at the June 2019 meeting.
Link to Corporate Objectives	The Corporate Objectives this paper relates to:

	<ul style="list-style-type: none"> Improve the delivery of safe, effective patient centred care and our services;
Contribution to the 2020 vision for Health and Social Care	This report reflects on whether the care provided by NHS Orkney is of the highest standards of quality and safety, with the person at the centre of all decisions.
Benefit to Patients	Patients generally provide feedback because something has gone wrong, they want to share their experience or they wish to compliment our services. Responding to feedback offers NHS Orkney the opportunity to listen, learn and take action to ensure we are providing safe, effective and person centred care.
Equality and Diversity	<p>EQIA - N/A</p> <p>NHS Orkney operates a Complaints Handling Procedure which is accessible and participate for any patient, family member or service user.</p>

Patient Feedback Annual Report 2018 - 2019

Foreword

The 2018-19 Patient Feedback Annual Report details how NHS Orkney has received, responded to and acted upon feedback, complaints and engagement to help improve and develop our services. In order to ensure patients, carers and families receive the best possible care across our services, we need to continually review, learn and improve, ensuring we embed and maintain a person centred care approach focussed on:

- respect and holism
- power and empowerment
- choice and autonomy
- empathy and compassion.

NHS Orkney is committed to ensuring our patients, their families and their carers are at the centre of everything we do. We are also committed to listening to and learning from our patients, those who support them and our staff to help us continue to learn and improve thus providing the best possible health care to the population of Orkney.

2018/19 has been an exciting and challenging year with the imminent move to our new hospital and healthcare facility, The Balfour. Staff have worked tirelessly to ensure services remain person centred whilst also preparing and taking part in planning for migration in June 2019. A decrease in the number of complaints received this year is a positive indicator that our staff and services have remained focussed on providing high quality care that has the patient, their families and carers at the heart during this time of significant change.

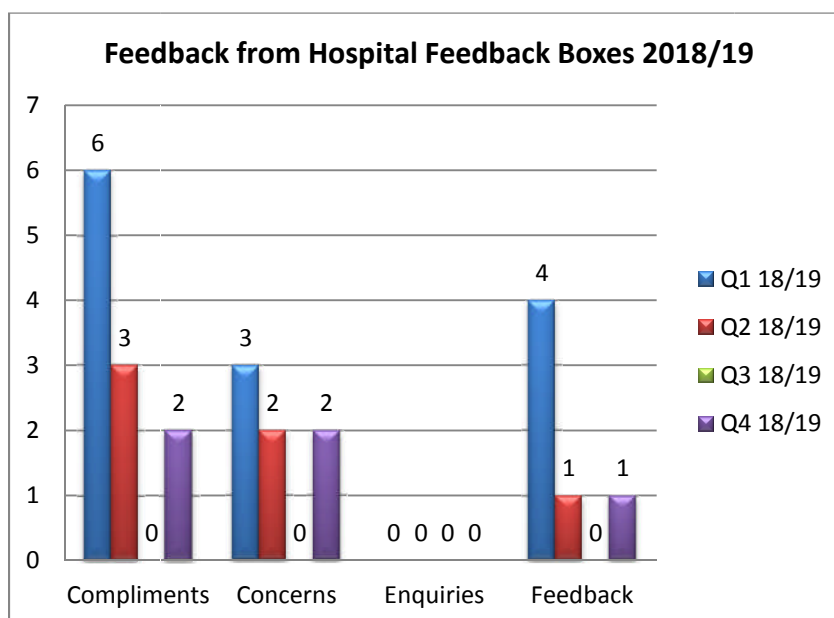
*Christina Bichan
Head of Transformational Change & Improvement
NHS Orkney*

Section 1

Encouraging and Gathering Feedback

- 1.1 NHS Orkney collects feedback in the form of complaints, comments, concerns and compliments. We welcome and encourage all feedback and use this to learn from people's experience and to inform improvements and change. We know from the compliments and positive feedback we get throughout the year that generally our patients and their carers or families are very pleased with the care they receive. But we are also very aware that we could sometimes do better and therefore the feedback we gather is invaluable to letting us know where improvements can be made.
- 1.2 The following methods are means by which our patients and their families can provide us with feedback on our services:

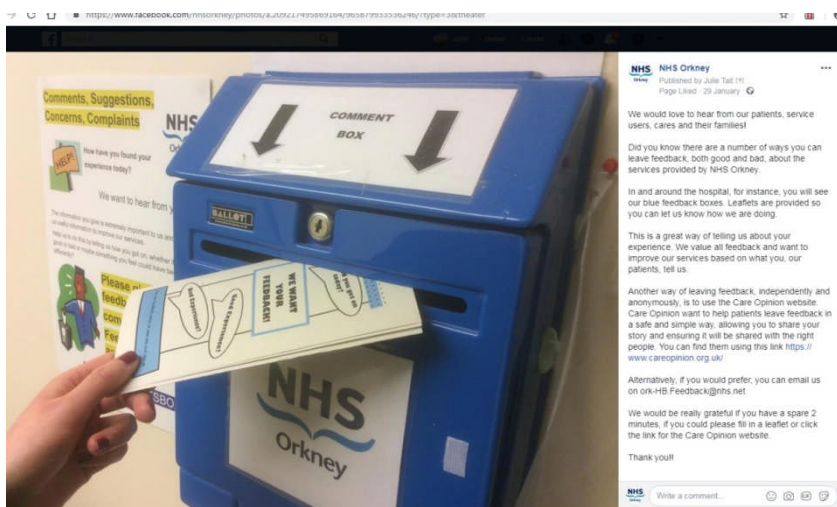
- Complaints – Early Resolution and Investigation stages. These can be made in writing, by email or over the telephone to the Patient Experience Officer or any other member of staff at the point of care. We will also arrange to meet face to face with anyone who wishes to discuss their complaint with us;
- Our website has a section on feedback and involvement which allows for leaving suggestions, compliments, feedback or a separate link to make a complaint or to express an interest in becoming involved. The website feedback facility has had an increase in usage since the new website was introduced in 2016.
- Feedback Leaflets are available throughout our health care locations which can be posted in the Comments Boxes located in various departments and services or posted using our freepost address.



- Patient Satisfaction Surveys are also undertaken, led locally at a service level and also as part of national survey activity.

9.1

- We also post regularly on NHS Orkney's Facebook and Twitter pages to encourage patients to tell us of their experiences and continue to publicise the use of Care Opinion.



- Electronic tablets can be used by any member of staff to gather feedback using the Survey Monkey tool. We have also used Survey Monkey to seek staff views on a number of issues, including engagement relating to the information screens in the new hospital.
- Our Young Volunteers have also continued to gather feedback as part of our ongoing Real-time Inpatient Feedback project.

- 1.4 All feedback, whether good or bad, is acknowledged and responded to. Patients have taken the time to provide us with information on their experiences and we ensure they know we are very thankful for this. Since the introduction of the new Complaints Handling Procedure (CHP), staff are encouraged to resolve issues at point of contact.
- 1.5 Information on advice and support from the Patient Advice and Support Service (PASS) at the Citizens Advice Bureau is available throughout the hospital and healthcare services. A link is available in the information we provide to patients during the initial complaint stages and also on our website.
- 1.6 We encourage our patients to talk to us by ensuring our staff are aware of the various methods of leaving feedback. We have provided posters, leaflets, "Can I Help You" guidance and information on Patient Opinion and PASS to our GP Practices, Dental Practices, Senior Management Team, Service Managers and Senior Charge Nurses.
- 1.8 **Complaint process experience**

Following a poor response to our survey in 2017-18, we reviewed this process and took a fresh approach. Unfortunately we received no formal responses however verbal feedback has been collated from some complainants through the Significant Adverse Event investigation process. This has been used to inform changes in this process and has resulted in the earlier involvement of patients. This process has been acknowledged as a challenge in other Boards and there is an understandable lack of engagement from complainants once a complaint is finalised, particularly when the response is not their expected outcome.

Section 2

Encouraging and Handling Complaints

2.1 Hospital and Community Services:

Our Complaints Handling Procedure (CHP) aims to provide a quick, simple and streamlined process for resolving complaints early and locally by capable, well-trained staff.

Our complaints process provides two opportunities to resolve complaints internally:

- Early resolution - aims to resolve straightforward complaints that require little or no investigation at the earliest opportunity. This should be as close to the point of service delivery as possible.
- Investigation - not all complaints are suitable for early resolution and not all complaints will be satisfactorily resolved at that stage. Complaints handled at the investigation stage of the complaints handling procedure are typically serious or complex, and require a detailed examination before we can state our position.

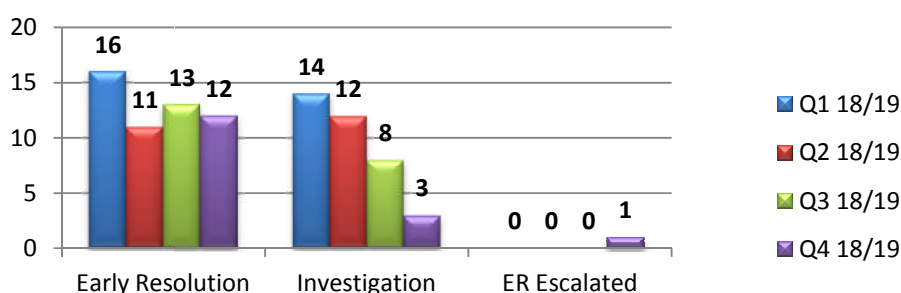
2.1.1 Early Resolution and Investigation Complaints

Total Number of Complaints	Total
Number of Complaints Received	91

Number of Complaints Closed at Each Stage	Total	As a %
Number of Early Resolution Complaints Closed	52	61%
Number of Investigation Complaints Closed	32	36%
Number of Escalated Investigation Complaints	1	3%

*6 complaints were withdrawn or consent has not been received and thus are not included in "Closed" complaints figures.

Total Number of Closed NHS Orkney Hospital and Community Complaints - 2018/19

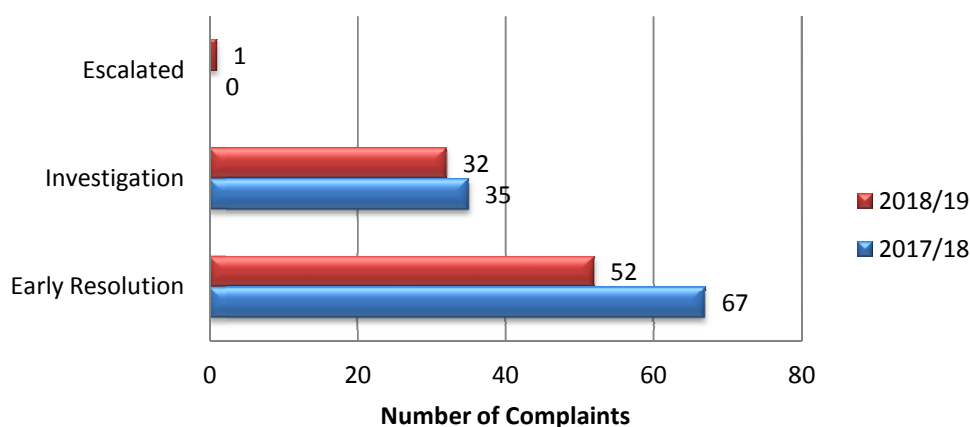


In 2017-18, we recorded 67 Early Resolution complaints and 35 Investigation Stage complaints, 102 in total.

Our Early Resolution complaints total shows that our patients have felt able to discuss, raise concerns and highlight experiences with our frontline staff. These have been dealt with promptly and appropriately at source.

The following chart shows comparisons between our complaints in 2017/18 and 2018/19.

Yearly Complaints Comparison



We improved our investigation process during 2017-18 in an attempt to offer reassurance to complainants that their complaint has been investigated and reviewed robustly. Complaints are reviewed as part of the Weekly Incident Review Group meeting allowing correlation of incidents and complaints where appropriate. In line with the Learning from Clinical Incidents Policy members of the group in some instances complaints are considered a Significant Adverse Event and a full SAE investigation is undertaken and formally reported. In other cases, complaint investigation follows standard practice and the meeting is used to share improvement outcomes with clinical leads and heads of service.

2.1.2 Outcome Decision - Complaints upheld, partially upheld and not upheld:

Early Resolution complaints

	Number	As a % of all complaints closed at stage one
Number of complaints upheld at stage one	25	48%
Number of complaints not upheld at stage one	11	21%
Number of complaints partially upheld at stage one	16	31%
Total stage one complaints outcomes	52	100%

Investigation complaints

	Number	As a % of all complaints closed at stage two
Non-escalated complaints		
Number of non-escalated complaints upheld at stage two	9	28%
Number of non-escalated complaints not upheld at stage two	13	41%
Number of non-escalated complaints partially upheld at stage two	10	31%
Total stage two, non-escalated complaints outcomes	32	100%

Escalated complaints

	Number	As a % of all escalated complaints closed at stage two
Escalated complaints		
Number of escalated complaints upheld at stage two	1	100%
Number of escalated complaints not upheld at stage two	0	0
Number of escalated complaints partially upheld at stage two	0	0
Total stage two escalated complaints outcomes	1	100%

2.1.3 Service Areas:

	ER Complaints	INV Complaints	TOTAL
Hospital Acute Services	15	13	38
Psychiatry/Mental Health Services	5	3	8
Accident and Emergency	4	7	11
Administration	0	0	0
Other (inc Community Services)	26	9	35
Care of the Elderly/Rehab	2	0	2

2.1.4 Response Times:

Early Resolution complaints must be responded to within 5 working days, Investigation stage complaints have response timescales of 20 working days. Boards are required to report on the following information as one of the key performance indicators of the CHP.

	Number	As a % of complaints closed at each stage
Number of complaints closed at stage one within 5 working days.	40/52	77%
Number of non-escalated complaints closed at stage two within 20 working days	12/32	36%
Number of escalated complaints closed at stage two within 20 working days	1/1	100%
Total number of complaints closed within timescales	53/85	62%

The 36% response rate to Stage 2 complaints is disappointing however in line with the direction of the Clinical and Care Governance Committee investigation quality has been the primary concern. Additionally a number of the complaints which took longer to conclude were particularly complex/have been subject to more rigorous SAE investigation. The 77% response rate to Stage 1 complaints provides evidence that staff handling these complaints respond quickly and efficiently.

2.1.5 Trends and Emerging Themes:

NHS Orkney complaints are wide ranging and relatively small in number across a diverse range of services, making it difficult to identify trends. However, access to services and waiting times make up a number of the Early Resolution complaints whilst clinical care quality and experience is identified as the main theme within Investigation complaints.

2.1.6 Alternative Dispute Resolution:

There were no complaints during the year which met the need for Alternative Dispute Resolution. NHS Orkney is aware of the services provided by the Scottish Mediation Service and has used it in the past.

2.2 Family Health Services (not including salaried GPs/Dentists):

NHS Board Managed Primary Care services;	
General Practitioner	15
Dental	-
Ophthalmic	-
Pharmacy	-
Independent Contractors - Primary Care services;	
General Practitioner	35
Dental	14
Ophthalmic	1
Pharmacy	0
Total of Primary Care Services complaints	65

GP Practices routinely contact the Patient Experience Officer for help and support in dealing with complaints.

Most, but not all, Primary Care service providers are independent contractors who are contracted by the NHS Board to provide NHS health services. However, Boards are required by law to ensure that each of their service providers have adequate arrangements in place for handling and responding to patient feedback and comments, concerns and complaints.

NHS Orkney handle complaints made about the Salaried GP's and Board Administered Practices. Our figures show 15 complaints were made during the year relating to this service which accounts for 23% of Family Health Services complaints.

2.3 Other NHS Organisations:

NHS Grampian provided NHS Orkney with information on feedback received from Orkney patients. A total of 33 complaints or concerns had been received, compared to 25 from 2017-18. Complaints relate mostly to waiting times and are similar in theme to the previous year.

2.4 MSP / MP - Constituents' Concerns Raised:

There are occasions when patients contact their MSP/MP in the first instance to make a complaint, raise a concern or enquiry. During the period 1st April 2018 – 31st March 2019, the Chief Executive received 39 written expressions of concern or complaint which sought address through a MSP. This is an increase of 14 from last year and this is the second year where an increase has been noted. Patients are more frequently raising issues through their MSP with concerns ranging from waiting times to the availability of particular specialties in Orkney.

The Chief Executive also meets regularly with Orkney's MSP and provides the MSP with the opportunity to raise concerns about healthcare services on behalf of his constituents.

2.5 Patient Advice and Support Service (PASS):



PASS offer advice and support for all NHS users and can help patients if they have any comments or complaints about any aspect of the health service. The Patient Experience Officer provides information on the service to complainants so that they may use the service if they feel unable to raise concerns themselves.

During the year 2018 - 2019, PASS provided advice and support to 36 new clients who made a complaint, raised a concern or an enquiry about the NHS. This is slight decrease from last year when the number of clients utilising this service to seek support on making a complaint or raising a concern were 49.

2.6 Scottish Public Services Ombudsman (SPSO):

During the year 2018 - 2019, the Ombudsman independently investigated three complaints from patients who were unhappy with the response they had received from NHS Orkney through the complaints procedure. Two complaints were investigated by the SPSO in the previous year.

SPSO have issued decision letters and have upheld the complaints in two cases with the third case remaining at the investigation stage.

Complaint	Outcome	SPSO Recommendation and Action Taken
The Board unreasonably delayed in referring the patient to hospital	Not Upheld	None
Complainant is unhappy at the investigation undertaken by the Board into their complaint	Not Upheld	None
The care and treatment provided by the Board was an unacceptable standard The Board failed to respond in writing to a letter from the complainant	Under Investigation	

2.7 Compliments

As with previous years, NHS Orkney receives a significant number of compliments. These are predominantly sent to our wards and departments in the forms of letters, cards, flowers, chocolates and biscuits.

NHS Orkney do receive a number of compliments directly which we record and send on to the relevant staff members or area.

Here is a selection of what our patients have told us:

What was the best thing about your experience?

From arriving to departing after my spinal injections it was an amazing experience - everyone friendly & smiling, each person's work dovetailed with the next, no conflicting information, scrupulously clean throughout.

"The nurses, physiotherapists and occupational therapists were patient, helpful and kind."

"May I say how well I was treated..It was not just the professional manner and knowledge they gave, but the feeling of care and compassion too. Absolutely bowled over by that. Cannot praise them enough."

Section 3

The culture, including staff training and development

At NHS Orkney we pride ourselves in delivering high quality care and we will ensure all our patients are treated with dignity and respect whilst ensuring we deliver excellence and professionalism in all that we do.

Our patients can expect

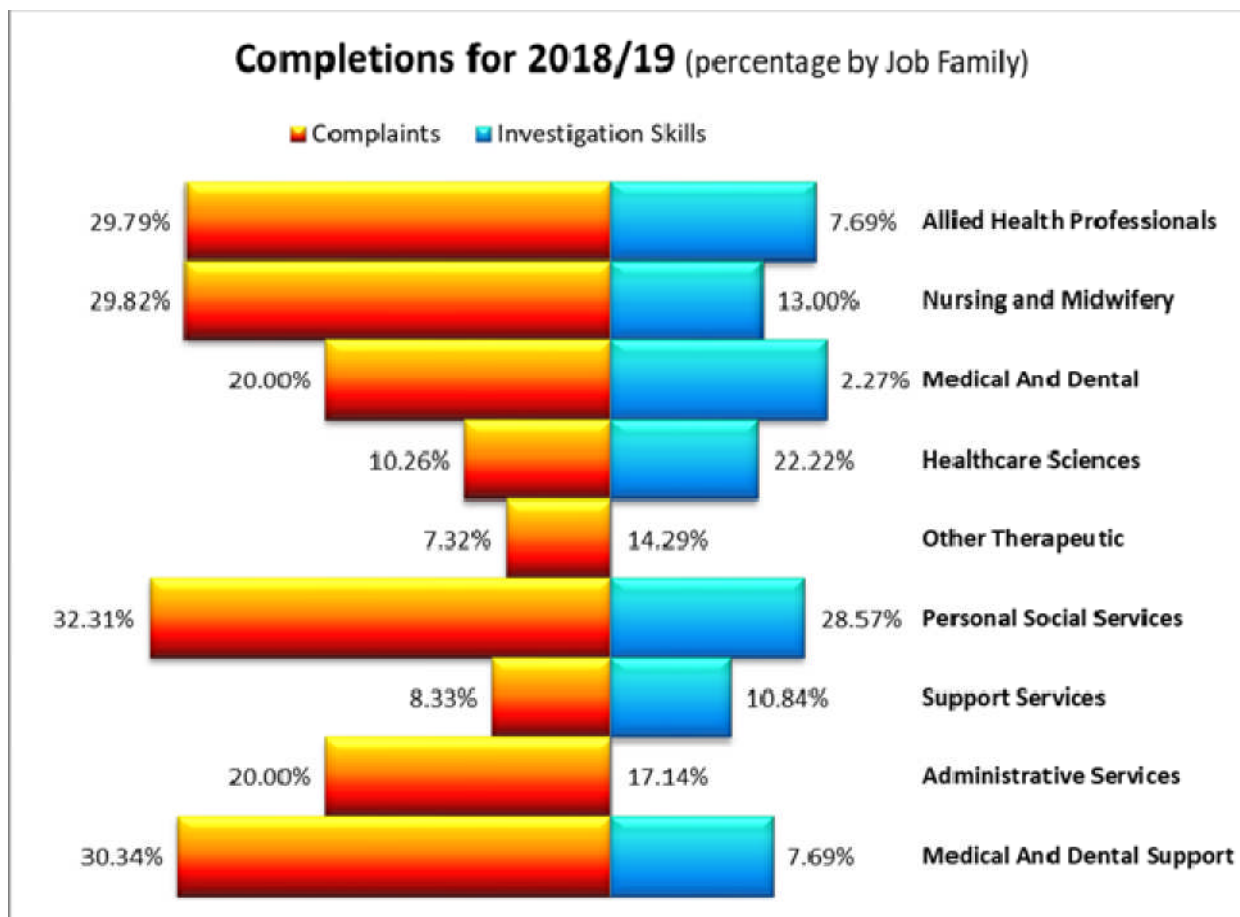
- to be treated with dignity and respect
- for us to show compassion by taking the time to listen, to talk and do the things that matter to them
- to receive high quality patient care and when they don't, we will listen and act on feedback so we can learn, improve and do better next time
- for us to be consistent and reliable and do what we say we will
- us to work with patients and their family (carers) and our colleagues so that we put their needs first
- for us to communicate (as individuals, teams and as an organisation) effectively, keeping them informed and involved and providing explanation if something has not happened

We also make a commitment to our staff and what they can expect:

- to be kept well informed
- to be appropriately trained and developed
- to be involved in decisions that affect them
- to be treated fairly and consistently with dignity and respect; in an environment where diversity is valued
- to be provided with a continuously improving and safe environment that promotes health and wellbeing

- 3.1 In practice we are using i-matter to further improve engagement with staff across our services and are building capacity and capability in the use of improvement methodology to ensure we are able to act on the feedback we receive and make measurable improvements in the quality of care provided.
- 3.2 It is considered the continuing good relationship between PASS and NHS Orkney is vital to ensuring patients are given as much advice and support as possible in a cohesive, co-ordinated fashion whilst remaining aware that PASS is an independent service.
- 3.3 In October of 2018, we offered staff involved in investigating complaints the opportunity to attend a training event hosted by SPSO. This was an extremely informative event and those in attendance learned and refreshed many skills to assist them in their work within complaints. This has enhanced the quality of our investigations and boosted staff confidence and skill in what can be a challenging area.
- 3.4 NHS Orkney staff continue to access the e-learning Complaints and Feedback and Investigation Skills modules. We believe this shows a commitment by staff to ensure they are able to acknowledge, address and respond to complaints and concerns raised by our patients.

Completion Rates for current staff are as follows –



Section 4

Improvements to Services

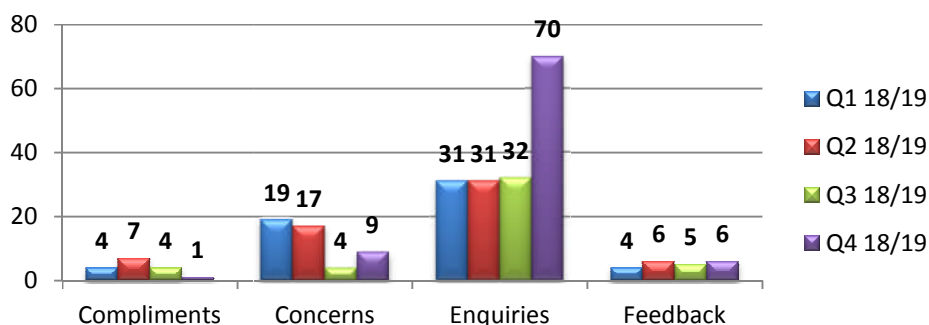
4.1 When any aspect of a complaint is upheld, the service identifies what improvements can be made. We continue to use our Complaints Reporting Template which provides an opportunity for staff to clearly identify actions, improvements and recommendations.

4.2 Here are some examples of improvements made over the last year:

Issue Raised	Findings	Outcome
Next of Kin complaint relating to the delay's experienced in releasing family member's Death Certificate	Unacceptable delays due to process issues and lack of understanding of guidance	Apology given Guidance reviewed and amended Discussion at multi-disciplinary learning session to ensure all staff aware
Patient who attended A&E was unhappy to be told to telephone NHS24 before they could be seen.	On this occasion, patient should have been seen in A&E.	Apology given Review of guidance for similar presentations Discussion at Staff Team meeting
Patient complained that they could hear other patient/Consultant conversations whilst they waited in the waiting room.	We are aware of the difficulty in this area around soundproofing. A radio has previously been installed to impede the ability to hear conversations.	Apology and full explanation given to complainant. Radio speakers have now been relocated and the radio volume increased. In addition, radio to be placed in larger waiting area.
Long wait in A&E without updated information being given.	Patient experienced delay within acceptable waiting time for A&E.	Staff informed of patient's experience to highlight need to keep patients informed when unit is busy.

4.3 Informal feedback and concerns are logged and recorded by the Patient Experience Officer and improvements and actions are reported quarterly to the Quality and Safety Group. Further developing the Board's processes for ensuring learning obtained through clinical incidents and complaints is acted upon and shared widely is a priority for the coming year.

Total NHS Orkney Patient Contacts (not included in complaint) 2018/19



Some examples of where this has taken place are:

We received many requests from patients wishing healthcare information before moving to Orkney.	The majority of requests were given information on how to register with a GP practice or where the care they enquired about may be available.
A number of enquires regarding donations on behalf of family members who have used NHS Orkney services	Information given on how patients and their families can donate.
Dental Care enquiry regarding access to referral for adult braces	Patient referred to Dental Services
Requests for access to various services including pain clinic	Advice and signposting to services
A number of requests for access to medical records, patient information and clinical documentation have been received since the introduction of GDPR.	We have staff in place to deal with these type of requests and all patients are referred to this service.

- 4.4 As mentioned earlier in this report all complaints are discussed at the Weekly Incident Review Group which ensures the Clinical Directors are sighted on incidents, complaints and emerging issues.
- 4.5 Any improvements, actions or changes that are identified through the complaints process, either formally or informally, are shared with the complainant in our response. An apology is given regardless of the outcome.

Section 5

Accountability and Governance

- 5.1 Feedback and Complaints are now reported to the Quality and Safety Committee which meets monthly. A monthly performance report is provided along with a quarterly report which is also submitted to the Clinical and Care Governance Committee.

Non-Executive Directors who attend the meeting, are encouraged to challenge the content of the report and regularly ask for assurances that changes or improvements have taken place to avoid recurrence of a similar complaint in future.

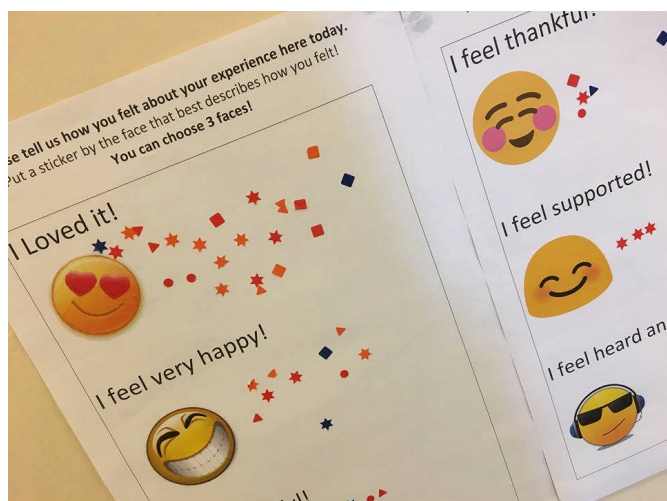
Minutes and Chairs reports from the Quality and Safety Group are reported to the Clinical and Care Governance Committee who reports onwards to the NHS Board.

- 5.2 NHS Orkney Board members receive updates through the Patient Feedback Quarterly Reports/Complaints Performance Report and an Annual Report.
- 5.3 As mentioned above all feedback and complaints are reviewed as part of the Weekly Incident Review Group meeting. This group meets weekly and consists of the Medical Director, Director of Nursing and AHP's, Clinical Quality Improvement Advisor, Head of Transformational Change & Improvement, Clinical Governance Support and Patient Experience Officer as well as representation from Acute Services and Orkney Health & Care. Complaints are linked to DATIX incidents and Significant Adverse Events.
- 5.4 Complaint investigations are undertaken by Lead Officers, supported by their direct manager on the Senior Management Team. Once complete, investigations are reviewed and signed off by the Medical Director or Director of Nursing and AHP's before being submitted to the Chief Executive for approval. This is a relatively new process which has been adopted in year to improve our governance in this area. We have found this to be a significant improvement with a higher level of reassurance being obtained that investigations are undertaken thoroughly and issues are sighted at the highest level of the organisation.

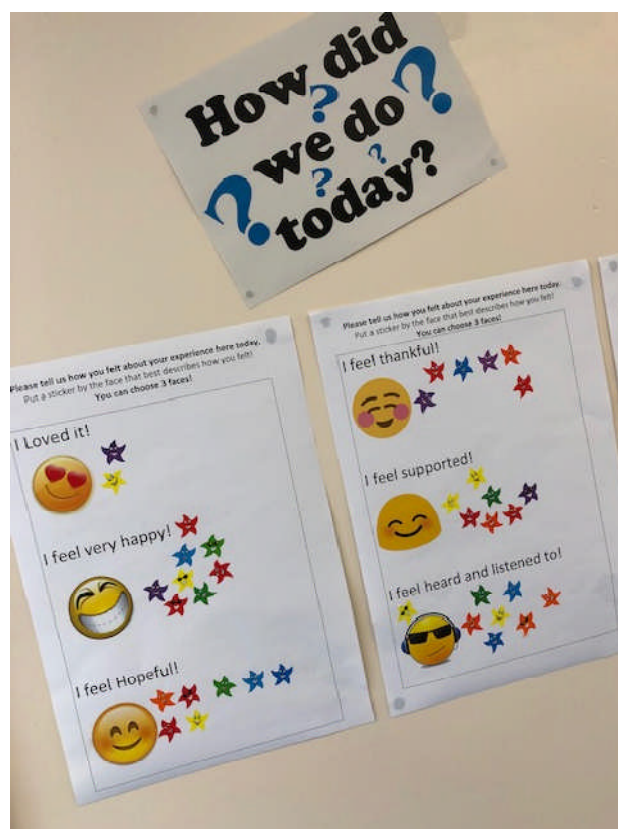
Section 6

Person-Centred Health and Care

6.1 Emoji Experience Boards.



We have used our "Emoji Experience Boards" in Physiotherapy and Outpatients to find out how our patients felt about their experiences



From these photos, you can see many of the people accessing these services reported being very happy with the service they had received.

This approach is now being rolled out to other areas.

#stickyourstickeron

6.2 Young Volunteers

We have been lucky enough to attract groups of Young Volunteers from Kirkwall Grammar School (KGS) and Stromness Academy (SA) to carry out our Inpatient Experience Survey during September and March of this year.

Three young adults from KGS and two from SA came along to an induction session at Voluntary Action Orkney where Laura Leonard, Youth Development Officer and Julie Tait, Patient Experience Officer undertook a session on issues such as confidentiality, technical aspects of how to gather the feedback and communication. The young volunteers then visited the hospital over a six week period during firstly September 2018 and then March 2019.

Over each 6 week period, we gathered real time feedback information from patients across the hospital in our Acute Ward, Assessment & Rehabilitation Ward, Macmillan Unit and Maternity Unit.

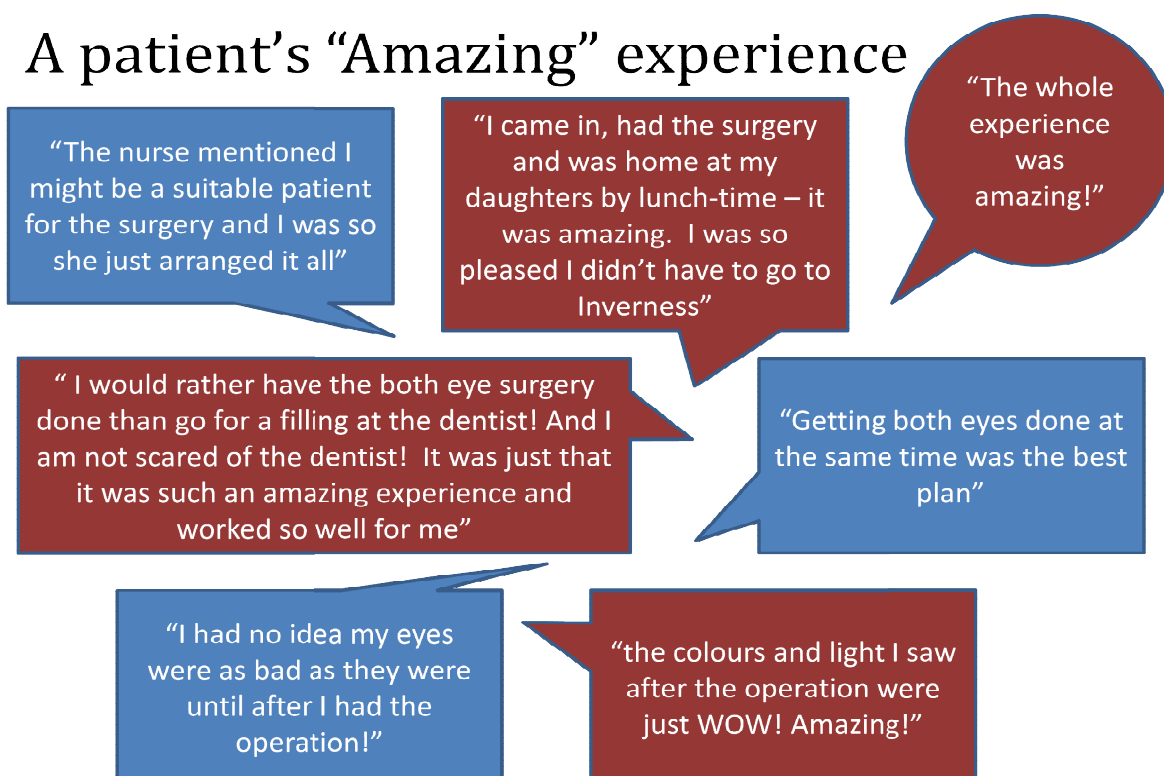
The feedback has been extremely positive and shared with the Senior Charge Nurses of each ward. A full report on the responses can be provided on request.

6.3 Ophthalmology Patient Experience

We wanted to hear about the experiences of our patients who have undergone Bilateral Sequential Cataract surgery at the Balfour Hospital and what impact this service development had had on them.

As part of this, we firstly undertook a patient story and the results of this have been summarised in the chart below.

A patient's "Amazing" experience



We also sent out questionnaires to all our patients who had undergone this type of cataract surgery. 26 questionnaires were sent out with an extremely positive return rate of 77%.

A copy of our report is available but to summarise:

Summary of Findings – Bilateral Sequential Cataract Surgery

The findings of our survey showed:

- 85% of patients rated both having both eyes operated upon at one time and the overall experience as 'Positive or Excellent' with no patients rating their experiences as less than 'Very good'.
- The Consultant Ophthalmic Surgeon is mentioned on a number of occasions in an extremely positive light by patients.
- Everyone who responded 'Strongly agreed' it was far easier to have the procedure locally at the Balfour hospital rather than travel south.
- One patient gave the example of feeling that they "had got their life back".

6.4 2018 Inpatient Experience Survey

The Inpatient Experience Survey was sent in January 2018 to a random sample of people aged 16 years or older who had an overnight hospital stay between April and September 2017. The survey, which is administered by post, covers six specific areas of inpatient experience: admission to hospital; the hospital and ward; care and treatment; hospital staff; arrangements for leaving hospital; and care and support services after leaving hospital.

The results were published in August 2018 and can be found in more detail by using the following link <http://www.careexperience.scot.nhs.uk/Dashboard-2018/index.html> They can also be compared to previous year's surveys.

Below is a small snapshot of the information shared by our patients:

Positive Comment made for Q47 - *Was there anything particularly good about your hospital care?*

- The staff were always helpful, cheerful and caring, despite the pressures of work they experience caring for many patients.
- Very caring nurses.
- Whole experience was pretty good. Cheerful and very helpful attitude of staff. Food and cooking good - much better than the army.
- Quality of care provided by staff was excellent.
- The friendly staff in Balfour, they spoke nice and were friendly.
- The excellent staff - cleaners, caterers, nurses, doctors, specialists (everybody) were faultless. It was very much appreciated by me.

Negative Comments made for Q46 - *What could have made your stay better?*

- More interaction with staff. Quite a few of the staff were unapproachable and not friendly/smiling when around patients/family. Felt they could not be bothered and wanted patients out and home as soon as possible, even though very few beds were occupied
- Very uncomfortable beds.
- The consultant was very dismissive of my condition and did not take my medical history into account.

- Doctors could have listened and actually given me the treatment and examinations needed instead of discharging me knowing nothing.
- Less, noise at night time from other patients, being in single ward all the time.

These findings have been shared with the Hospital Team and are being considered as they shape their service provision in the new Balfour.

6.5 Memories In Music Project

We introduced personal music playlists to some of our patients in the Assessment and Rehab (A&R) ward in 2018. Following the purchase of two ipods and the generosity of local charity, Dementia Friendly Orkney to pay a year's monthly subscription to a music provider, we asked staff in A&R if they would work with patients and their families to make playlists for patients who would benefit from listening to music.

The ethos behind the initiative is that sometimes patient's memories are ignited by music from special times in their lives, ie, a song from their childhood, a wedding, when their children were born, etc. This can be hugely beneficial both emotionally and behaviourally. It also provides entertainment where other media's may not be suitable.

One of the Healthcare Support Workers involved in the project has noted:

"the response has been great. One patient stated she couldn't live without music so this has helped her loads. A lot of singing and feet tapping going on in the ward. The patients we've trialled it with, love it. We've had family members thanking us for setting up the music."

6.6 Inpatient Volunteers

We have also recruited two volunteers to visit patients on the A&R Ward with cognitive difficulties. The wordle below shows the feedback provided.



Section 7

Summary and Conclusions

- The number of complaints received has decreased in the second year since the introduction of the new Complaints Handling Procedure.
- During the year we have received and handled 52 Early Resolution Complaints and 33 Investigation Complaints.
- We received one complaint at Early Resolution stage which was later escalated to Investigation Stage.
- 77 % of Early Resolution complaints have been responded to within the 5 day timescales.
- 36% of Investigation complaints were responded to within 20 days.
- Trends are difficult to identify due to the wide range of topics identified. However, waiting times has again this year been identified as an issue for our patients along with the quality and experience of clinical care.
- The majority of complaints were recorded within Hospital Acute Services.
- There has been an increase in patients contacting their MSP to make a complaint on their behalf.
- Our staff continue to undertake the online Complaints and Feedback training modules regularly.
- Responses to the complaints experience questionnaire have been very poor. It should be considered that this is not working well and patients, who have had a poor healthcare experience, may not wish to engage at this point of the process. It is recognised this is similar in other Health Board areas.

Not Protectively Marked

NHS Orkney Board Meeting – 26 June 2019 This report is for noting Staff Governance Committee Chair's Report	
Lead Director Author	Annie Ingram, Director of Workforce Caroline Evans, Chair Staff Governance Committee
Action Required	The Board is asked to: 1. <u>Note</u> the report and <u>seek assurance</u> on performance
Key Points	<p>This report highlights key agenda items that were discussed at the Staff Governance Committee meeting on 29 May 2019 and it was agreed that these should be reported to the NHS Orkney Board:</p> <ul style="list-style-type: none"> • Submission of the Staff Governance Committee Monitoring • Equal Pay Report • Awareness on Harassment and Bullying
Timing	The Staff Governance Committee highlights key issues to the Board on a quarterly basis following each meeting.
Link to Corporate Objectives	<p>The Corporate Objectives this paper relates to (please delete not relevant):</p> <ul style="list-style-type: none"> • Improve the delivery of safe, effective patient centred care and our services; • Optimise the health gain for the population through the best use of resources; • Pioneer innovative ways of working to meet local health needs and reduce inequalities; • Create an environment of service excellence and continuous improvement; and • Be trusted at every level of engagement.
Contribution to the 2020 vision for Health and Social Care	The work of the Staff Governance Committee is supporting the delivery of the 2020 vision for health and social care by ensuring that employees are fairly and effectively managed within a specified framework of staff governance and can reasonably expect these staff to ensure that they take responsibility for their actions in relation to the organisation, fellow staff, patients, their carers and the general public.

10.1

Benefit to Patients	Active engagement of all parties with the principles of good staff governance is essential for NHS Orkney to achieve continuous improvements in service quality which deliver the best possible outcomes for the people of Orkney.
Equality and Diversity	No specific equality and diversity elements to highlight.

Not Protectively Marked

NHS Orkney Board

Staff Governance Committee Chair's Report

Author Caroline Evans, Staff Governance Committee Chair

Section 1 Purpose

The purpose of this paper is to provide the minute of the meetings of the Staff Governance Committee and to highlight the key items for noting from the discussions held.

Section 2 Recommendations

The Board is asked to:

1. Review the report and note the issues raised
2. Adopt approved committee minutes

Section 3 Background

This report highlights key agenda items that were discussed at the Staff Governance Committee meeting on 29 May 2019 and it was agreed that these should be reported to the NHS Orkney Board.

Section 4 Issues Raised

1. Submission of the Staff Governance Committee Monitoring Return

Members of the Committee approved the draft Staff Governance Standard Monitoring Framework 2018/19 for submission to the Scottish Government.

2. Equal Pay Report

N Firth delivered the NHS Orkney Equal Pay Monitoring Report to members. There was discussion around individuals that requested career breaks. It was anticipated that within the next five years that those on career would continue to attract a pay progression. Members requested that this was highlighted within the report.

3. Awareness on Harassment and Bullying

The Chief Executive agreed with members to progress training and awareness sessions once the move to the new facility was complete. A letter pertaining to bullying and harassment was received from the Cabinet Secretary which will assist in articulating plans moving forward.

Cross Committee Assurance

The Committee had no items requiring cross committee assurance.

Appendices

- Approved minute of meeting held on 20 February 2019

Orkney NHS Board

Minute of meeting of the **Staff Governance Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Wednesday 20 February 2019** at **10.30 am**.

Present: Caroline Evans, Chair
 Fiona MacKellar, Vice Chair
 David Drever, Non Executive Board Member
 Issy Grieve, Non Executive Board Member
 David McArthur, Director of Nursing, Midwifery and AHPs
 Gerry O'Brien, Chief Executive
 Kate Smith, Partnership Representative
 Chris Werb, Staff Representative

In Attendance: Sylvia Campbell, Clinical Education Facilitator for Nursing and Midwifery
 Ashley Catto, Human Resources Manager
 Julie Nicol, Head of Organisational Development and Learning
 Rose Rendall, Committee Support (Minute taker)
 Lynne Spence, Practice Education Lead for Allied Health Professions

770 **Apologies**

No apologies had been received.

771 **Declaration of Interests – Agenda Items**

There were no declarations of interest in relation to agenda items.

772 **Minute of meeting held on 29 August 2018**

The minute of the Staff Governance Committee meeting held on 21 November 2018 was accepted as an accurate record and approved.

773 **Matters Arising**

567 – Matters Arising

The pressure on the same people *who were willing to do additional tasks to their remit*, making staff reluctant to take on more responsibility, was noted.

576 – iMatter report

It was confirmed that there was consistency in which teams were completing the action logs.

581 – Workforce Report

Members were advised that the results of the Health and Wellbeing of Staff survey had been made available and would be formatted and progressed when capacity allowed.

582 - Work Related Driving policy

Members were advised that this was still under review.

567 – Awareness of Bullying and Harassment in the Workplace

C Werb had been asked by R McLaughlin, Unison Representative to raise an issue around what was thought to be a rise in bullying cases and possible cluster of episodes. Due lack of any further information the Human Resources Manager would arrange to have a discussion with R McLaughlin outwith the meeting.

774 **Action Log**

The Action Log was reviewed and corrective action agreed on outstanding issues (see Action Log for details).

775 **Chairman's Report from the Board**

Workforce Challenges

The Chair reported that it was acknowledged that staff were working hard to recruit and carry out training. The Chief Executive added that they were supportive of exploring as many innovative ways as possible to help this.

The Employee Director felt this linked with the Workforce Development presentation; there would be the possibility of more opportunities for staff and potential employees.

Regional Working – workforce update

The Board were reassured that staff would not be moved into a secondment at another Board at short notice or against their will.

Decision / Conclusion

The Committee noted the Chairs reported highlights from the Board meeting.

Governance

776 **Draft Staff Governance Committee Annual Report 2018/19**

The Chair highlighted the successes and concerns within the report. Members felt the wording of the concern observing challenges around confidence and trust in senior manager should reflect the iMatter outcome asking for increased visibility of managers and although this was an ongoing test it wasn't the most pressing according to the iMatter outcomes. The decision was made to reword to encapsulate the ongoing challenges to improve some areas of concern within the iMatter outcomes report.

Further amendments requested were:

- Marthinus Roos, Medical Director had been missed in the list of members and on the list of attendance
- In the risk frame work it mention 'PIN guidelines' this should be PIN policy

- Addition of the Allied Health Professions registration renewal

Decision / Conclusion

Members noted the Annual Report and approved subject to the noted amendments.

777

Staff Governance Standard Monitoring arrangements

The purpose of this being to provide the Scottish Government with a picture of each Health Board's progress in delivering the Staff Governance Standard, and to help inform the Annual Review process.

In NHS Orkney completion of the templates would be progressed in Partnership. Attendees at the Area Partnership Forum development session on Tuesday 19 February had discussed and identified a process for completion. The Human Resources Manager would request a short extension to the submission date to allow for a thorough piece of work to be completed. An abbreviated version of the template would be sent out to teams, using the iMatter hierarchy, for their feedback.

Members agreed this was an example of positive partnership working. D Drever suggested the communication should encourage staff to have ownership of the response.

Decision / Conclusion

Members approved the suggested process.

Well informed

778

Communications and Engagement Group Chairs report

The Head of Organisational Development and Learning presented the chairs report advising that the largest proportion of the current communications work was in connection with the new Hospital and Healthcare facility

779

Brexit Update - SGC1819-26

The Head of Organisational Development and Learning reported that NHS Orkney had established a Brexit Risk Register, which would be used to inform short, medium and long term plans as a result of pending exit from the EU. There had been a local EU exit civil contingencies workshop held recently which NHS Orkney contributed to along with partner agencies from across Orkney. This had helped alleviate some concerns on the risk register. She noted that E Graham, Resilience Officer had been released to concentrate his time to Brexit.

The Chief Executive commented that the response would require to be very reactive due to continuing uncertainty.

The Employee Director questioned if there had been consideration to how big an impact there will be if NHS Grampian workforce were affected. The Head of Organisational Development and Learning confirmed this was captured on the risk register. The Human Resources Manager had been provided with a list of

specialties that provide a service to NHS Orkney and had asked NHS Grampian to raise any areas of concern to her.

Decision / Conclusion

Members noted the Implications of Brexit report and the progress being made to mitigate the potential risks.

780 **Health and Social Care Staff Experience Report 2018 – SGC1819-27**

The Head of Organisational Development and Learning presented the report which showed NHS Orkney as top of the league table of territorial Boards within Scotland. Time had been put into supporting teams to complete their action logs but it was acknowledged there was still work to be done. Some of the areas had completed action logs in 2017/18 but as there had been no follow up from managers teams had disengaged in the current year.

She noted teams who had completed and worked through their action logs were seeing the benefits. The report was positive and members should not underestimate the time and resources that was being put into getting this result.

There was a desire within NHS Orkney to include Orkney Health and Care staff. The Chief Executive would raise this with S Shaw, Chief Officer.

Decision / Conclusion

Members noted the report and praised the efforts of those involved.

Appropriately Trained

781 **New Balfour Orientation plan – SGC1819-28**

The Head of Organisational Development and Learning briefed members on the content of the report, highlighting information on;

- Train the trainer
- Staff to complete statutory and mandatory training
- Tours and familiarisation
- Formal orientation in teams/departments
- Public tours

Decision / Conclusion

Members noted the plan.

782 **Workforce Development - presentation**

L Spence, Practice Education Lead for Allied Health Professions and S Campbell, Clinical Education Facilitator for Nursing and Midwifery gave a very informative presentation following a significant piece of work on service, workforce and educational plans across all clinical services in NHS Orkney.

A national and evidence based tool was tested and adapted to gather evidence on

current practice, future practice, workforce planning and educational needs; as well as the national direction being considered. These plans were undertaken jointly with Practice Education and Service and Team Leads, resulting in rich discussions regarding the way ahead for future services. The presentation gave an overview on the work to date with the aim of developing a structured, coordinated and future focused model of service delivery, aligning workforce and having a clinical educational plan for Nursing, Midwifery and AHPs.

The Employee Director enquired if there was a plan around NHS Orkney accommodating the Best Start Implementation week long training. S Campbell replied that there were national discussions around this as Boards were questioning the value to their organisations.

D Drever questioned what direction the Dementia Work streams were taking. The Director of Nursing, Midwifery and AHPs explained that diagnostic rates weren't as high as they should be, probably due to lack of availability of specialists and stigma of diagnosis. The aim was to have better support from the start of the illness. I Grieve suggested that it may be beneficial for the IJB to hear the information on dementia. D Drever agreed to raise this.

Members discussed the importance of links between departments to support and treat patients and the requirement for clinical pathways guidance

The Chair and members commended the work and thanked them for a very informative presentation.

Involved in decisions that affect them

783 Area Partnership Forum Chair's report

The Employee Director presented the report for information.

Decision / Conclusion

The Committee reviewed the report from the co-chair of the Area Partnership Forum and took assurance that matters of importance were being progressed.

784 Minute of Area Partnership Forum meeting held on 16 October, 20 November 2018.

The Committee noted the minutes of the Area Partnership Forum meetings.

Treated Fairly and Consistently

785 Report on status of PINs and progress against HR policy review timetable

The Human Resources Manager reported around ongoing work happening on the Once for Scotland policies. There was an engagement event scheduled for March, which would be looking for policies to be midway and moving to completion. She informed members that the original timeline had been extended but there could require further review.

The Human Resources manager stated that a number of policies were overdue for review but as they would be included in the Once for Scotland there was a plan

to do a light refresher to ensure policies were current.

Decision/Conclusion

786 Members noted the progress report and welcomed further updates as appropriate.
Once for Scotland Workforce Policies Regional Event feedback

This had been covered within the previous agenda item.

Decision/Conclusion

The committee noted the update.

787 **Policies and Procedures**

Water Safety policy.

This policy was approved through Occupational Health and Safety Committee, members were happy to ratify on this basis

Health and Safety policy

This policy was approved through Occupational Health and Safety Committee, members were happy to ratify on this basis

Management of Violence and Aggression policy

This policy was approved through Occupational health and Safety Committee, members were happy to ratify on this basis

Resuscitation policy

This policy was approved virtually by the Staff Governance Committee members, therefore members were happy to ratify on this basis

Facilities Arrangements for Trade Union policy.

Members approved the update.

Decision / Conclusion

The Committee received and approved the above policies.

Provided with a Safe and Improved working environment

788 **Occupational Health and Safety Group Chair's report**

The Committee received the Occupational Health and Safety Chair's Report from the Head of Organisational Development and Learning. The key items for noting where:

- Flu immunisations
- OHS DNAs
- Fire

- Facefit testing
- Pre-employment checks
- Policy
- Fire training

Decision / Conclusion

The Committee noted the Occupational Health and Safety Chair's Report.

789 **Committee Annual Review**

Completed Self Assessment

Members noted the outcomes from the Self assessment

Terms of Reference

The Human Resources Manager reported that this would be sent out virtually for feedback and approval to allow time for further updates to be completed.

Committee Risks, Controls and Assurance Framework

I Grieve asked that there was an addition to reflect the difficulty in recruitment and risk around this.

Members approved based on this point being added.

Work Plan

The Employee Director pointed out there was reference to staff survey in the plan that should be amended to iMatter.

Members approved based on this update

Business Cycle

The Business Cycle would be updated following approval of the work plan

790 **Issues Raised from Governance Committees**

There had been no reports from the Chairs of the Governance Committees regarding cross committee assurance.

791 **Agree any issues to be raised to Board/ Governance Committees**

The Committee agreed that the following items should be reported to the:

792 **Board**

- Staff Governance monitoring form – positive discussion and partnership working
- Excellent presentation from S Campbell and L Spence
- Staff experience report and success of NHS Orkney

793 **Any Other Competent Business**

No other business was raised

794 **Schedule of meetings**

The schedule of meetings for 2019/20 was noted.

795 **Record of Attendance**

The record of attendance was noted.

796 **Committee Evaluation**

The meeting had been challenging in terms of timing but important discussions had been held.

| Meeting closed at 1330

Not Protectively Marked

NHS Orkney Board Meeting – 26 June 2019 Report Number: OHB1920-18 This report is for discussion Financial Performance Management Report	
Lead Director Author	Mark Doyle, Interim Director of Finance Derek Lonsdale, Head of Finance
Action Required	<p>Members are invited to approach the Director of Finance or Chief Executive for any points of clarity on the position reported and are asked to:</p> <ul style="list-style-type: none"> • Note the reported overspend of £0.394m to 31 May 2019 • Note the commitment to deliver a forecast breakeven position on the Health Board budgets.
Key Points	The report provides analysis of the financial position for the period up to 31 May 2019. Information is provided relating to resource limits, actual expenditure and variance against plan. To date, NHS Orkney is currently over spent by £0.394m.
Timing	June 2019
Link to Corporate Objectives	Effective management of the financial position should be driven by and support the objective to optimise health gain for the population through the best use of resources.
Contribution to the 2020 vision for Health and Social Care	Value and financial sustainability – effective use of resources.
Benefit to Patients	Effective management of the financial position should be driven by and support the objective to optimise health gain for the population through the best use of resources.
Equality and Diversity	No assessment required.

ORKNEY NHS BOARD**26 JUNE 2019****NHS ORKNEY FINANCE REPORT TO 31 MAY 2019****Purpose of paper**

The purpose of this report is to inform the Board of the financial position for the period 1st April 2018 to 31st May 2019.

As previously reported, the Board approved both the Annual Operational Plan for 2019/20 to 2021/22 on 25 April 2019.

Background

The revenue position for the 2 months to 31 May reflects an overspend of £0.394m. This over spend comprises £0.402m attributable to Health Board and under spend of £8k to the Integration Joint Board. At this early stage in the financial year we are holding the line, as reported in our Annual Operational Plan, to deliver a balanced budget; and therefore the forecast assumes a heavily caveated balanced outturn position for Health Board. This includes various Caveated items.

The single biggest risks to delivering of a balanced outturn at this point in the year is the uncertainty on the likely position with Medical staffing, the receipt of capital to revenue of £2.9m and depreciation of £1.8m and additional medical staffing support of £2.1m. The Board is putting in place the following measures to deliver a balance position at year end and beyond:-

- Vacancy management approval is to be authorised by the senior management team.
- Actively seeking recruitment into the vacant medical staffing posts.
- Activity analyse and monitoring of off island patients with a view to attend anywhere removing the need to travel.
- Actively recruiting to priority gaps to reduce costs.
- Implement a staff ideas scheme.
- Service improvement meetings.

Health Boards are required to work within the revenue resource limits set by the Scottish Government Health & Social Care Directorates (SGHSCD), this report highlights the current position and a forecasted outturn. The report to the senior management team, finance and performance committee and Board ensures that there is clear visibility of the significant change processes which are underway to

fully support and reflect the service reform agenda. NHS Orkney will adopt a whole system approach to any change implementation.

Assessment

Capital Programme

The total anticipated Capital Resource Limit for 2019/20 is £7.905m. The capital position for the 2 months to May shows investment of £0.420m, equivalent to 5.3% of the total allocation. Plans are in place to ensure the Capital Resource Limit is utilised in full.

Financial Allocations

- Revenue Resource Limit (RRL):

On 3 June 2019 NHS Orkney received confirmation of core revenue and core capital allocation amounts. The core revenue resource limit (RRL) has been confirmed at £49.827m.

- Anticipated Core Revenue Resource Limit:

In addition to the confirmed RRL adjustments, there are a number of anticipated core revenue resource limit allocations of £12.379m built into the financial plan as detailed in Appendix 1. In addition, the 6% superannuation consequential is to be funded by Scottish Government at a cost of £1.15m.

- Anticipated Non Core Revenue Resource Limit:

NHS Orkney also receives 'non core' revenue resource limit funding for technical accounting entries which do not trigger a cash payment. This includes, depreciation or impairment of assets. The anticipated non core RRL funding of £16.7m is detailed in Appendix 2.

Summary Position

At the end of May NHS Orkney reports an in year over spend of £0.394m against the Revenue Resource Limit. The table below provides a summary of the position across the constituent parts of the system: £0.402m of the over spend is attributable to Health Board budgets; and an under spend of £8k attributable on the health budgets delegated to the Integrated Joint Board.

	Annual Budget	Budget YTD	Spent YTD	YTD Variance	YTD Variance	Forecast Year End Variance
	£000	£000	£000	£000	%	£000
<u>CORE</u>						
Hospital Services	12,025	2,088	2,414	(326)	(15.62)	(377)
Pharmacy & Drug costs	2,266	383	411	(29)	(7.48)	(334)
Internal Commissioning	24,175	3,395	3,387	8	0.25	154
External Commissioning	10,998	1,746	1,688	57	3.28	3
Estates and Facilities	3,870	649	647	1	0.21	(3)
Support Services	5,643	906	812	94	10.38	456
Reserves	4,529	0	0	0		100
Reserves – Under spends	0	0	0	0		0
Savings Targets	(750)	(200)	0	(200)		0
Total Core RRL	62,757	8,966	9,360	(394)	(3.24)	0
Ophthalmic Services NCL	293	64	64	(0)	(0.00)	0
Dental and Pharmacy NCL - IJB	1,376	274	274	0	0.00	0
<u>NON-CORE</u>						
Annually Managed Expenditure	13,011	0	0	(0)	0.00	(0)
Depreciation	1,200	93	93	0	0.00	0
Total For Board	78,636	9,397	9,791	(394)	(3.09)	0

Operational Financial Performance for the year to date includes a number of over and under spent areas, these are broken down as follows:-

Hospital Services

- Medical Staffing

Within the surgical team, anaesthetics and obstetrics the requirements for patient safety, ensures we have locums to fill the vacancies, which come at a premium. The

hospital medical staffing currently in deficit of £0.258m but is forecast to break-even subject to anticipated Scottish Government Funding of £2.144m.

- Ward and Theatres

The Acute Services and Acute Receiving Area combined attribute to an over spend of £57k for the year to date. These areas currently reflect a year end position of £0.337m at outturn. It is evident that challenges remain in relation to balancing finance and other performance targets across the Acute Services. The service design within the new hospital and healthcare facility will play a vital role in the outturn position, taking cognisance of quality & safety; value & sustainability; and performance delivery.

Pharmacy and drugs

Pharmacy and drugs are currently over spent by £29k due to having 5 HIV patients on high cost drugs and 2 HEP-C patients whose treatment will be completed in May. These areas will be monitored to obtain a more accurate outturn position.

Internal Commissioning - IJB

- The Integration Joint Board health budgets report a net under spend of £8k with a forecast outturn of £0.154m which is made up of the following outturn estimates:-
 - The Integrated joint board over spend is due to an under accrual in 2018/19 for a patient placement.
 - The over spend within Children's services and Women's Health is due to additional bank staff with the maternity ward to cover maternity leave and migration costs which are still to be calculated and funded.
 - Health and community care forecast under spend is attributable to under spends in the following areas:-
 - Community equipment £24k
 - Community Nurse vacancies 3 WTE
 - Pharmacy services under spend is within prescribing unified and invoices are 2 months in arrears. £18k under spend is based on an average estimate of the previous year. This is constantly monitored to make the accruals as accurate as possible.

The table below provides a breakdown by area:-

	Annual Budget	Budget YTD	Spent YTD	YTD Variance	Forecast Year End Variance
	£000	£000	£000	£000	£000
Integration Joint Board	4,432	73	80	(7)	(12)
Children's Services & Women's Health	2,011	334	345	(11)	(60)
Primary Care, Dental & Specialist Nurses	9,761	1,664	1,662	2	12
Health & Community Care	3,948	661	654	6	169
Pharmacy Services	4,023	663	646	18	45
Total IJB	24,175	3,395	3,387	8	154

External Commissioning

The Acute Grampian SLA is anticipated at a similar level to 2018/19 at £5.1m which would realise an under spend of £0.429m, however, patients travel is anticipating an over spend of £0.270m, likewise, visiting services is also forecasting an over spend of £0.110m. Work is ongoing by the transformation team to reduce the expenditure further with £0.750m being removed against the savings target with phasing to begin from July onwards.

Estates and Facilities

This Directorate is reporting a break-even position due to a number of over and under spent areas.

Support Services

Vacancies within Finance and Performance, Corporate Services, Human Resources are contributing to the under spend of £94k.

Reserves

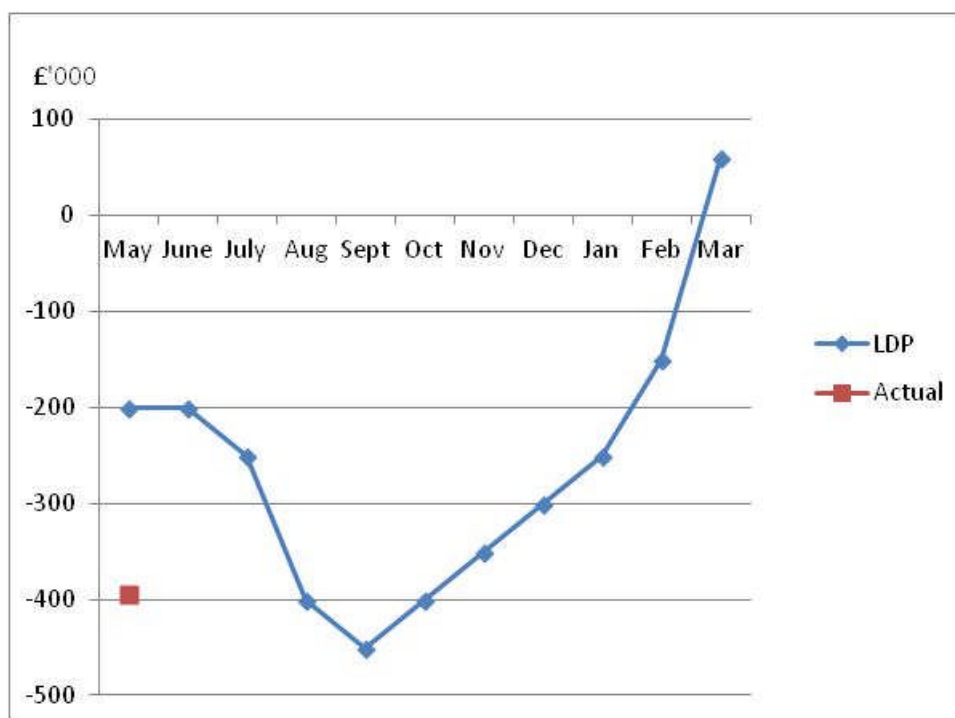
Financial plan expenditure uplifts including supplies, medical supplies and drugs and pay award uplifts have been allocated to budget holders from the outset of the financial year, and therefore form part of devolved budgets. There are a number of residual uplifts which remain in a central budget; and which are subject to robust scrutiny and review in each month. At this time general inflation funding of £0.161m for non-pay items remains held centrally. A breakdown of the reserves are listed below:-

	£000
General Inflation	161
Specialist drugs	315
PAIAW	500
remaining anticipated migration	937
Anticipated depreciation	1,800
Other	816
Total	4,529

The detailed review of the financial plan reserves allows an assessment of financial flexibility. By its very nature financial flexibility allows mitigation of slippage in savings delivery. As reported previous, this 'financial flexibility' is a crucial element of the Board's ability to deliver against the statutory financial target of a break even position against the revenue resource limit.

Financial Trajectory

The graph below shows the actual spend against the Annual Operational Plan trajectory for 2019/20. Uncertainty around Scottish Government Funding has resulted in the downward trend towards September, after this date more definitive information regarding savings plans and Scottish Government funding should be received to allow the break-even position at the end of the year.



Financial Plan Reserves & Allocations

Financial plan expenditure uplifts including supplies, medical supplies and drugs and pay award uplifts have been allocated to budget holders from the outset of the financial year, and therefore form part of devolved budgets. There are a number of residual uplifts which remain in a central budget; and which are subject to robust scrutiny and review in each month. At this time general inflation funding of £0.161m for non-pay items remains held centrally.

This detailed review of the financial plan reserves allows an assessment of financial flexibility. By its very nature financial flexibility allows mitigation of slippage in savings delivery. As reported previous, this 'financial flexibility' is a crucial element of the Board's ability to deliver against the statutory financial target of a break even position against the revenue resource limit.

Pay

The overall pay budget reflects an under spend of £120k including anticipated funding from Scottish Government for the 6% additional superannuation costs. There are underspends across a number of staff groups which partly offset the overspend position within medical and dental staff; the latter being largely driven by the additional cost of supplementary staffing to cover vacancies.

Work is underway to implement further controls in relation to supplementary staffing to enhance scrutiny and financial management of, in particular, nursing and medical staff budgets more detailed management information will be included in the next updated to the Board.

Financial Sustainability

The Financial Plan presented to the Board in March highlighted the requirement for £0.750m gross cash efficiency savings to support financial balance in 2019/20 prior to assumed and estimated pay consequential funding of £0.971m. The extent of the recurring / non recurring delivery for the year to date is illustrated in the table below. Of the £0.750m net recurring target, the full amount is still to be realised, however, the budget will be removed and phased in from July.

The recurring savings are delivered through the Transformation and Cost Improvement plan and broken down as follows:

	recurring £000	Non- recurring £000	Achieved £000	Remaining £000
Travel	250			250
Grampian Acute SLA	500			500
Other		100	100	
Total	750	100	100	750

Annual Operational Plan

The Annual Operational Plan presented to the board is shown in Appendix 3 – any gaps in Scottish Government funding or savings will affect break-even position in future years. See appendix 3.

The board anticipates a break-even position in all years. We are focusing on a three year planning horizon to ensure we have clear visibility of the significant change processes that are underway across the system, thus ensuring that the Annual Operational Plan is at the forefront and reflects the service reform agenda.

Forecast Position

At this point in the financial year, the forecast position to the year end is underpinned by a number of caveats and assumptions which will be refined and updated as events and circumstances crystallise and become known with greater certainty. Accordingly in line with our Annual Operational Plan and our continued commitment to delivery of the statutory target of breakeven; the forecast assumes a heavily caveated balanced outturn position for Health Board. This reflects assumptions in relation to operational budget performance and potential in year financial flexibility.

Key Messages / Risks

The assessment of the year end forecast will be continue to be refined over the coming weeks and months with particular emphasis on the areas listed above, we will also seek clarity on the overall IJB position.

11.1

In light of discussions highlighted through the Annual Accounts process, clarity is being sought via Scottish Government in respect of the treatment of 'ringfenced' or 'earmarked' allocations in 2019/20, capital to revenue transfer of £2.9m, Depreciation £1.8m and medical staffing of £2.14m.

Ongoing tight control of costs; the ongoing impact and extent of management action; together with the pace of redesign and transformational change remain critical to the delivery of a balanced position.

Recommendation

Members are invited to approach the Director of Finance or Chief Executive for any points of clarity on the position reported and are asked to:

Note the reported overspend of £0.394m to 31 May 2019

Note the commitment to deliver a forecast breakeven position on the Health Board budgets.

Mark Doyle

Interim Director of Finance

Appendix 1 – Core Revenue Resource Limit

From LDP - non-base line assumed allocations				
	Included in LDP £	Received in RRL to 31/05/19 £	Variance £	Outstanding £
Initial Baseline	49,812,237	49,827,351	15,114	
SLA Children's Hospices Across Scotland (Year 3 / 4)	(29,000)	(29,052)	(52)	
Excellence in Care	30,000	32,048	2,048	
Allocations awaited				
Risk Share/top slice	(328,289)			(328,289)
PET Scan adjustment	(32,915)			(32,915)
Contribution to Pharmacy Global Sum	(13,389)			(13,389)
Contribution to PASS	(2,784)			(2,784)
GP Sub group	2,403			2,403
Community Pharmacist Practitioner Champions	5,000			5,000
Insulin pumps	14,086			14,086
Realistic Medicine	21,375			21,375
Carers information strategy	24,640			24,640
Workforce planning	30,000			30,000
Action 15	37,154			37,154
Open University ACT funding	75,000			75,000
ADP Support	82,029			82,029
Primary Care Improvement Fund	118,728			118,728
New medicine fund	213,034			213,034
e-health bundle	247,531			247,531
Mental Health Bundle	265,122			265,122
funding bundle	472,955			472,955
Salaried GDS	1,755,000			1,755,000
Locum support	2,144,000			2,144,000
Capital to revenue transfer	3,400,000			3,400,000
PMS Enhanced Services	5,049,079			5,049,079
Standard Depreciation	(1,200,000)			(1,200,000)
	63,392,996	49,830,347	17,110	12,379,759

New RRL allocations		
	Recurring £	Non-recurring £
Implementation costs for HPV boys vaccination		1,268
Funding for forensics medical examinations		44,183
		45,451

Appendix 2 – Anticipated Non Core Revenue Resource Limit Allocations

Non-Core assumed allocations	Included in	Received in RRL	Variance	Outstanding
	LDP £	to 31/05/19 £	£	£
Standard Depreciation	1,200,000			1,200,000
AME depreciation - anticipated	1,800,000			1,800,000
AME Impairment	13,000,000			13,000,000
Capital DEL - demolition costs	700,000			700,000
	<u>16,700,000</u>	<u></u>	<u></u>	<u>16,700,000</u>

Appendix 3 – Annual Operational Plan

NHS Orkney - Financial Overview

RECURRING POSITION	2019/2020 £000s	2020/2021 £000s	2021/2022 £000s
Recurring position at start of year	931	(177)	1,454
Estimated Recurring Growth	3,000	1,290	794
Inflation uplifts			
Pay Award and Incremental drift	(971)	(1,005)	(743)
Prescribing and Hospital Drugs	(378)	(413)	(452)
Primary Medical Services	(58)	(59)	(60)
Commissioning Inflation	(200)	(205)	(126)
Resource Transfer	(16)	(17)	(17)
Price Inflation	(161)	(164)	(166)
Recurring Investments	(408)		
New Facility	(2,665)	(648)	(193)
Planned Savings	750	750	750
Unidentified savings		2,100	100
Recurring Financial Position at year end	(177)	1,454	1,341
IN YEAR EFFECT			
Recurring Financial Position at year end	(177)	1,454	1,341
Non Recurring Expenditure			
General	(2,248)	(415)	(326)
Hospital Medical Staffing	(2,144)	(1,144)	(644)
Mental Health	(1,004)	(1,004)	(1,004)
Non Recurring Allocations (anticipated)	5,589	1,115	644
In Year Position	17	6	10

Not Protectively Marked

NHS Orkney Board Report Number: OHB1920-19 This report is for information. Performance Report	
Lead Director	Gerry O'Brien, Chief Executive
Author	Christina Bichan, Head of Transformational Change & Improvement
Action Required	The Board is invited to: 1. <u>note</u> the report
Key Points	<ul style="list-style-type: none"> • Performance in regards the Local Delivery Plan Standards is provided in Appendix 1. • Timely access to some Outpatients services as well as Inpatients and Day Case procedures and the Psychological Therapies service continues to be challenging with current performance below the required LDP level.
Timing	For consideration at the June 2019 meeting.
Link to Corporate Objectives	The Corporate Objectives this paper relates to are: <ul style="list-style-type: none"> • Nurture a culture of excellence, continuous improvement and organisational learning • Improve the delivery of safe, effective and person centred care and our services
Contribution to the 2020 vision for Health and Social Care	This work is contributing to the 2020 vision by seeking to ensure that timely access to high quality, safe and effective care is available for the people of Orkney.
Benefit to Patients	More timely access to care and services.
Equality and Diversity	There are no Equality and Diversity implications identified with this item.

Not Protectively Marked

NHS Orkney Board

Performance Report

Author Christina Bichan, Head of Transformational Change & Improvement

Section 1 Purpose

The purpose of this report is to provide Board members with information on current performance in regards to Local Delivery Plan standards.

Section 2 Recommendations

The Board of NHS Orkney is asked to:

1. Note the report.

Section 3 Background

Local Delivery Plan (LDP) Standards are priorities that are set and agreed between the Scottish Government and NHS Boards. The current standards are:

- Increase the proportion of people diagnosed and treated in the first stage of breast, colorectal and lung cancer by 25 per cent
- 95 per cent of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat, and 95 per cent of those referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral
- People newly diagnosed with dementia will have a minimum of one years post-diagnostic support
- 100 per cent of patients to wait no longer than 12 weeks from the patient agreeing treatment with the hospital to treatment for inpatient or day case treatment (Treatment Time Guarantee)
- 90 per cent of planned/elective patients to commence treatment within 18 weeks of referral
- 95 per cent of patients to wait no longer than 12 weeks from referral (all sources) to a first outpatient appointment (measured on month end Census). Boards to work towards 100 per cent

-
- At least 80 per cent of pregnant women in each SIMD quintile will have booked for antenatal care by the 12th week of gestation
 - 90 per cent of Eligible patients to commence IVF treatment within 12 months of referral
 - 90 per cent of young people to commence treatment for specialist Child and Adolescent Mental Health services within 18 weeks of referral
 - 90 per cent of patients to commence Psychological therapy based treatment within 18 weeks of referral
 - NHS Boards' rate of Clostridium difficile in patients aged 15 and over to be 0.32 cases or less per 1,000 occupied bed days
 - NHS Boards' rate of staphylococcus aureus bacteraemia (including MRSA) to be 0.24 cases or less per 1,000 acute occupied bed days
 - 90 per cent of Clients will wait no longer than three weeks from referral received to appropriate drug or alcohol treatment that supports their recovery
 - NHS Boards to sustain and embed alcohol brief interventions in the three priority settings of primary care, A&E and antenatal and to broaden delivery in wider settings
 - NHS Boards to sustain and embed successful smoking quits at 12 weeks post quit, in the 40 per cent most deprived SIMD areas (60 per cent in the Island Boards)
 - GPs to provide 48 Hour access or advance booking to an appropriate member of the GP team for at least 90 per cent of patients
 - NHS Boards to achieve a staff sickness absence rate of 4 per cent
 - 95 per cent of patients to wait no longer than 4 hours from arrival to admission, discharge or transfer for A&E treatment. Boards to work towards 98 per cent.
 - NHS Boards are required to operate within their Revenue Resource Limit (RRL), their Capital Resource Limit (CRL) and meet their Cash Requirement

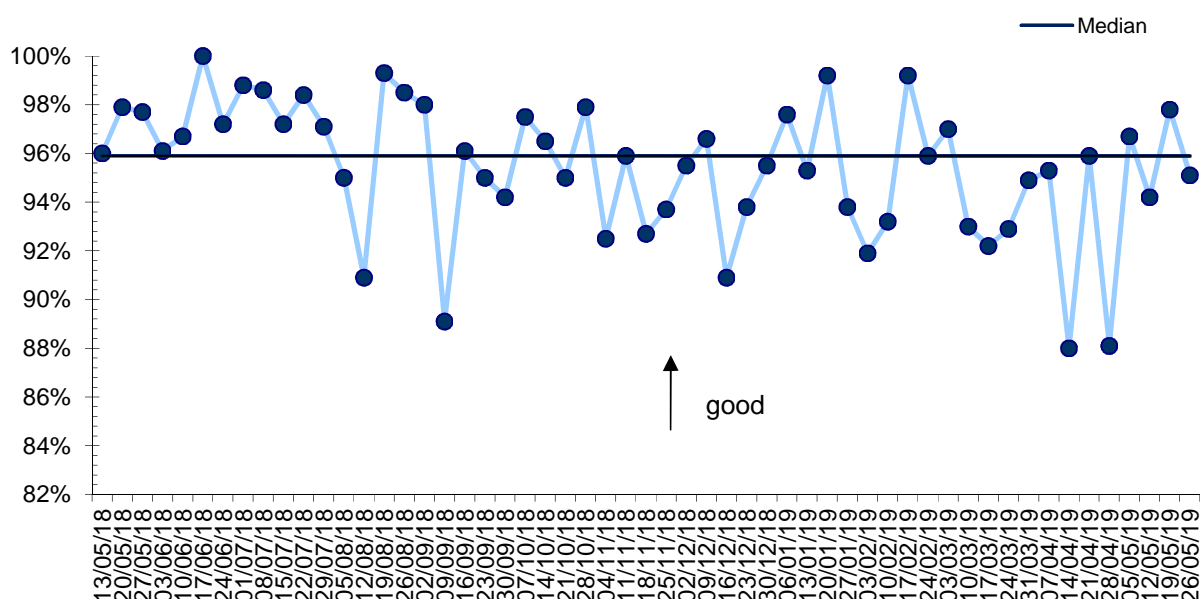
In addition to the above there are several areas of focus which do not sit within LDP standards but are areas of priority for Board delivery as stated by Scottish Government in their LDP guidance. Examples of this are reducing the number of people who are waiting to move from hospital wards to a more appropriate care setting (Delayed Discharges) and AHP Musculoskeletal Services whereby the maximum wait for from referral to first clinical out-patient appointment should be 4 weeks (for 90% of patients).

Section 4 Discussion

A summary of NHS Orkney's position in regards to each of the current LDP Standards is provided in Appendix 1. The information provided is as up to date as the most recently published national data source and has been taken from the NSS Discovery LDP Dashboard. A summary of the trajectories which were agreed as part of the Annual Operational Plan sign off process is provided in Appendix 2. Quarter performance will be shown against this in future reports as the year progresses.

As can be seen from Appendix 1 challenges remain in achieving timely access to outpatient and inpatient/day case services as well as Psychological Therapies. Performance in regards to the 4 hour A&E target continue around the target level as shown in Figure 1.

Figure 1. A&E Waiting Times – % patients seen within 4 hour standard, 13 May 2018 – 26 May 2019 (Source: NHS Performs)



Outpatients

For the quarter January-March 2019 the average number of days waited for a new outpatient appointment within the Balfour Hospital was 34, a slight increase from the last quarter (28) and 90% of patients were seen within 197 days, an increase on the previous quarter performance of 161 days. Performance over the past 5 quarters for both measures is provided in Figures 2 and 3. (Source: NHS Performs)

Figure 2: Outpatient Waiting Times – Average Number of Days Waited January 2018 – March 2019 (Source: NHS Performs)

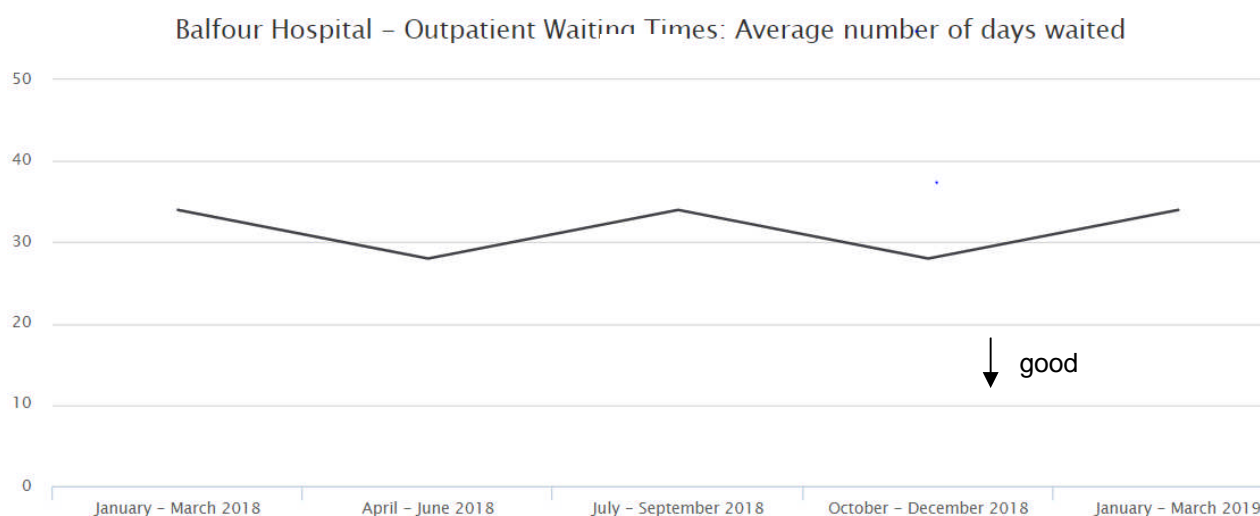
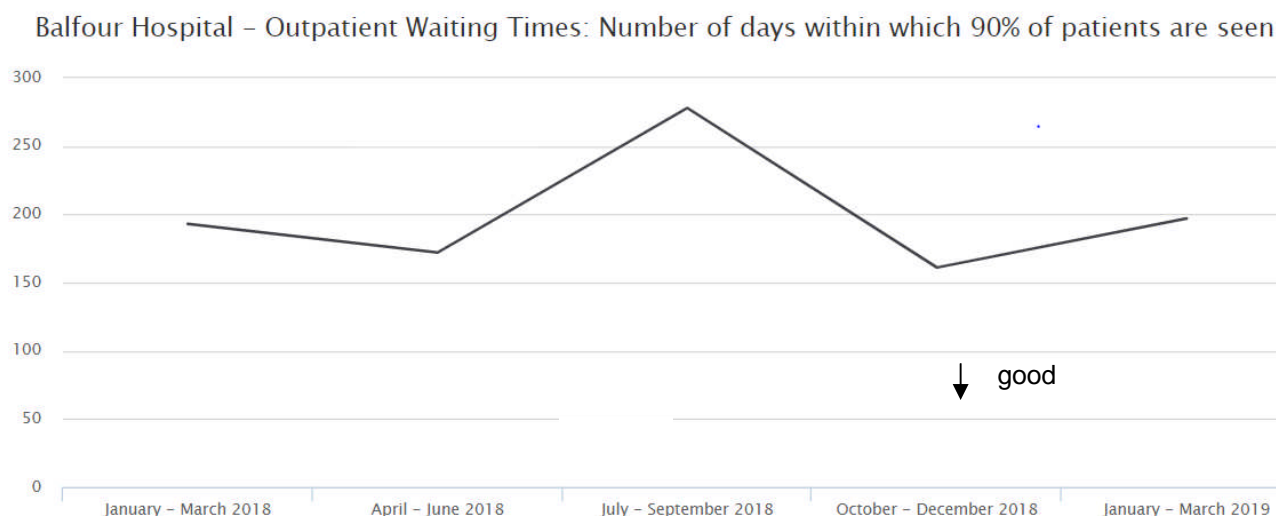


Figure 3: Outpatient Waiting Times – Number of days within which 90% of patients are seen January 2018 – March 2019 (Source: NHS Performs)



As can be seen from the information provided in Figure 2 and Figure 4 above in the majority of cases patients are being seen well within the 12 week standard however there are still breaches of the target being experienced within a number of speciality areas which lead to the long waits highlighted in Figure 3. This slight reduction in performance was anticipated within our Annual Operational Plan and will be addressed in future quarters as additional capacity is brought in following the completion of the migration to the new hospital and healthcare facility.

Figure 4: Outpatient Waiting Times – Distribution of Adjusted Wait for New Outpatient appointment, NHS Orkney. Quarter ending 31 December 2018 (Source: ISD)

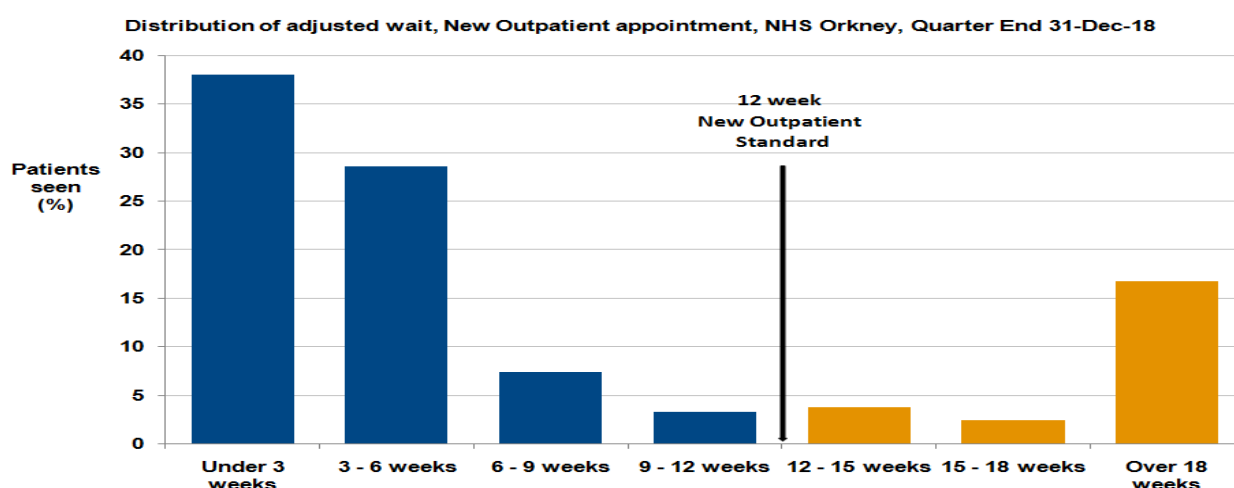
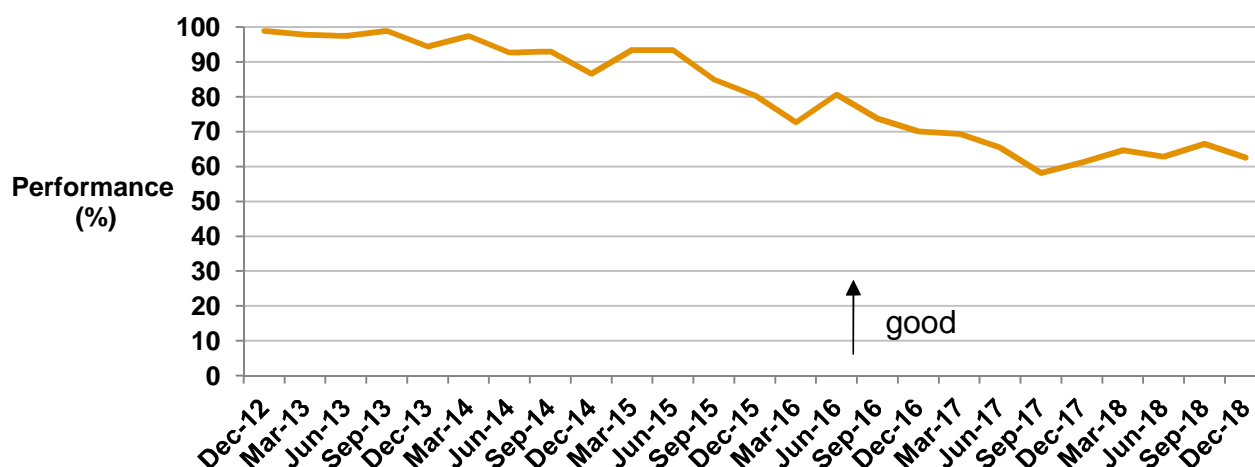


Figure 5 provides an overview of performance against the 12 week new outpatient standard at December 2018. This is the most recent published data available. According to internal data sources there were 232 patients breaching the 12 week outpatient target at 27th May 2019, with 116 patients waiting more than 18 weeks. The most significant areas of pressure continue to be in Trauma & Orthopaedics (88) and Ophthalmology (54) with increasing waits in Rheumatology (39) and Dermatology (39) also being managed.

Figure 5: Performance against new outpatient standard, all specialties
(Source: ISD)



Inpatients and Daycases

In relation to Inpatients and Day Cases for the quarter October - December 2018 the average number of days waited for an admission to the Balfour Hospital was 55 (40 in previous quarter) and 90% of patients were admitted within 156 days, increasing from the previous quarter performance of 90 days. Performance over the past 5 quarters for both measures is provided in Figures 6 and 7. (Source: NHS Performs)

Figure 6: Inpatient/Day Case Waiting Times – Number of days within which 90% of patients are admitted January 2018 - March 2019 (Source: NHS Performs)

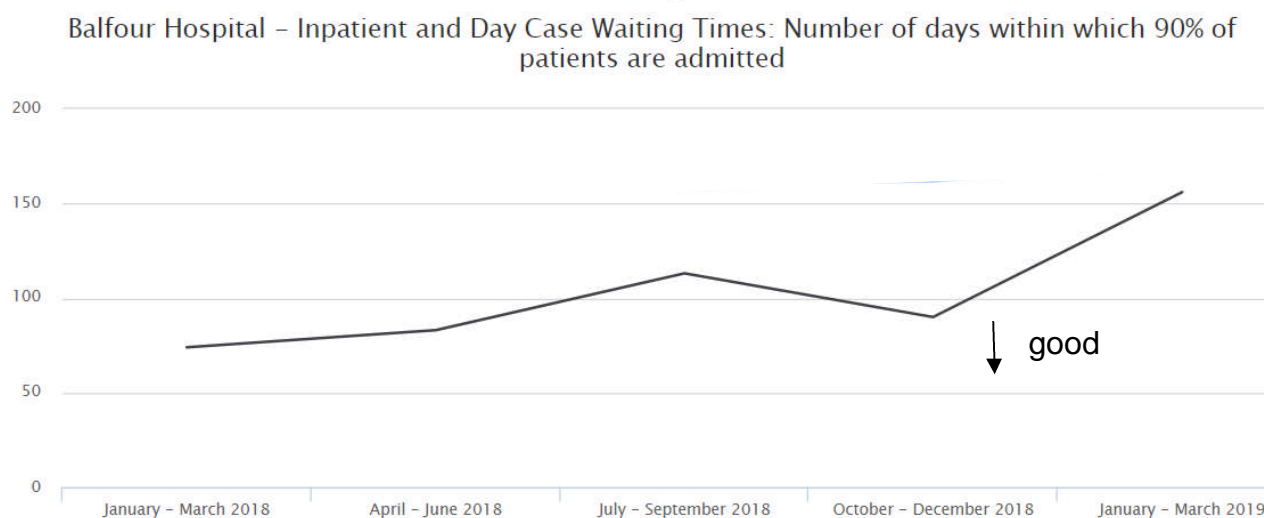
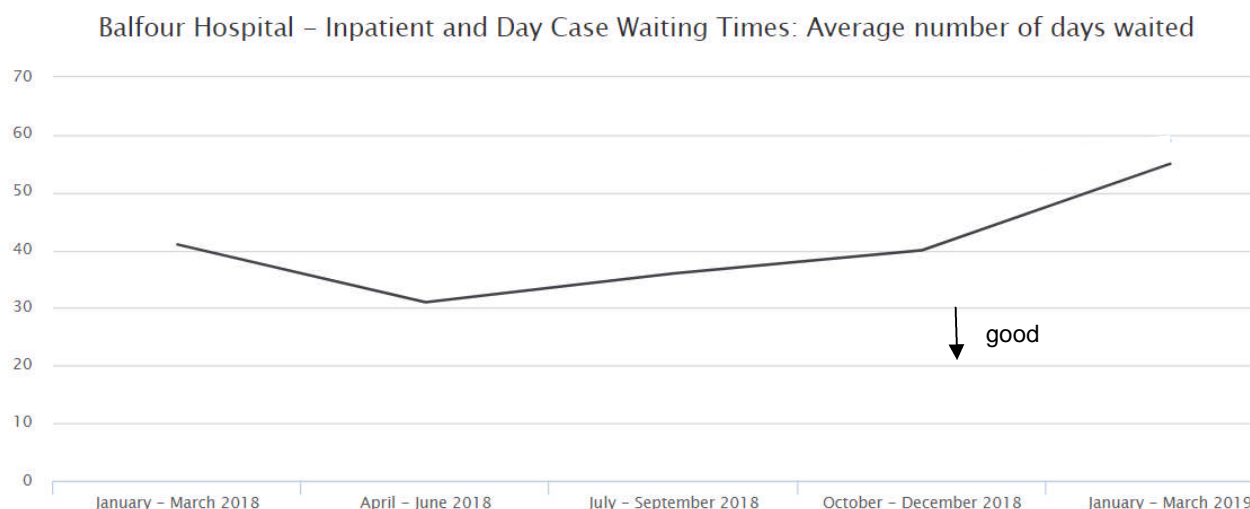


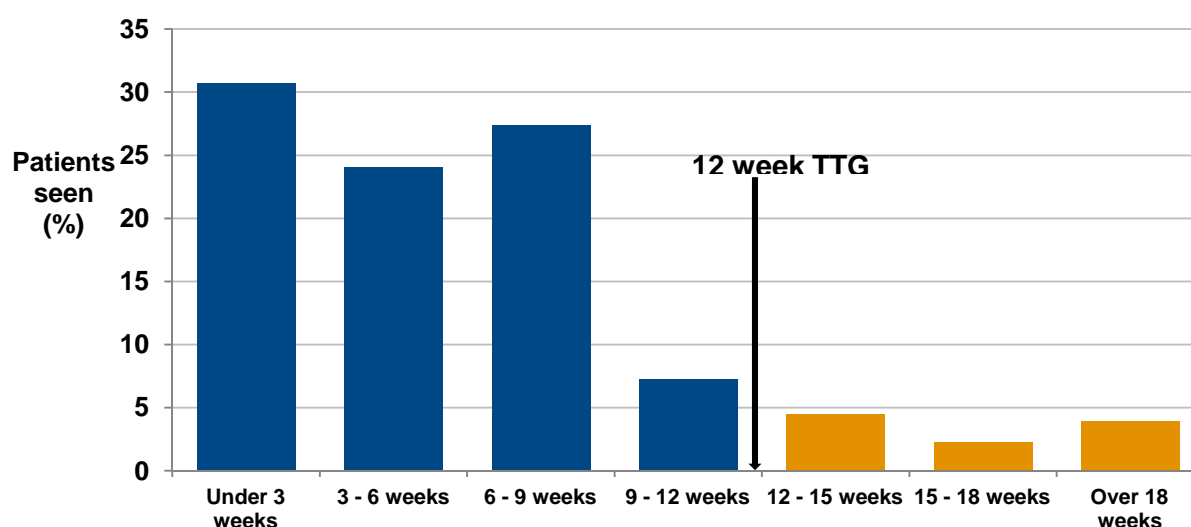
Figure 7: Inpatient/Day Case Waiting Times – Average number of days waited January 2018 – March 2019 (Source: NHS Performs)



As can be seen from the information provided above in many cases patients are being seen well within the TTG standard however at 6th June 2019 41 patients had been waiting over 12 weeks for an inpatient/day case procedure. The main specialties where long waits are currently experienced are Trauma and Orthopaedics and Ophthalmology.

Performance in regards to the Treatment Time Guarantee (TTG) remains impacted by the timing of visiting services as well as a reliance on other Board areas, such as Golden Jubilee National Hospital, to provide in patient capacity. Figure 8 gives an overview of the distribution of waiting times for inpatient and day case procedures as per the most recent national publication.

Figure 8. Inpatient Waiting Times – Distribution of Adjusted Wait for Inpatient or Day Case Treatment, quarter ending 31st December 2018 (Source: ISD)



Access to AHP Musculoskeletal Services

In regards to AHP MSK Services and the target set by Scottish Government that from 1st April 2016 the maximum wait for access to MSK services from referral to first clinical outpatient appointment will be 4 weeks (for 90% of patients) performance in relation to MSK Podiatry and MSK Physiotherapy, as per the most recent published quarterly report is provided in Table 1 below. Overall across all of the AHP MSK services provided by NHS Orkney 49.7% of patients were seen within 4 weeks at the 31st December 2018. The median length of wait for a patient is 4 weeks and the 90th percentile wait is 34 weeks, this is a slight increase on the previous reporting quarter which was 3 and 30 respectively.

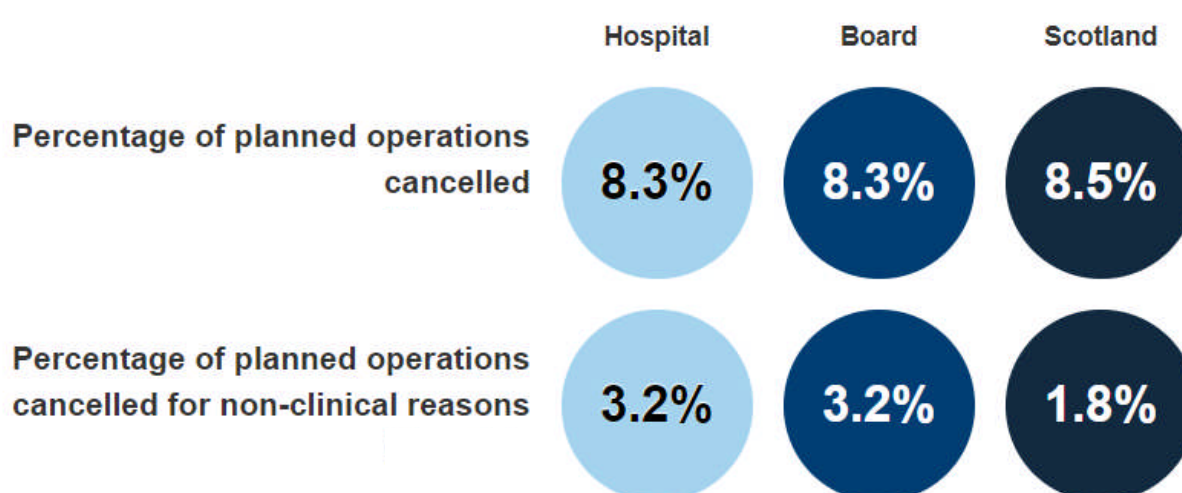
Table 1: Number of adult AHP MSK patients seen in Orkney for first clinical out-patient appointment during quarter October-December 2018 (Source: ISD)

Total Number of Patients Seen	Number of Patients Seen, Who Waited 0-4 Weeks	Percentage of Patients Seen, Who Waited 0-4 Weeks	Median (Weeks)	90th Percentile (Weeks)
364	181	49.7	4	34

Cancelled Operations

In the Balfour Hospital, performance in regards to operations cancelled remains good (and better than the Scottish average position) as shown below. Cancellations for non clinical reasons has increased slightly as a result of unscheduled care pressures impacting on theatre staff availability and short notice cancellations being required. With the move to the new hospital and healthcare facility being completed in June 2019, improvements should be seen in performance as a result of the availability of a second theatre.

Figure 9: Cancelled planned operations – Balfour Hospital and NHS Scotland as at April 2019 (Source: NHS Performs)



Diagnostics

Historically the Board has maintained a high level of compliance with the Diagnostics waiting time of a maximum of 6 weeks for the 8 key diagnostic tests however changes within the surgical team have made this significantly more challenging in recent months. Long waits for certain scopes have been associated with a shortage in clinical staff with the appropriate skills to undertake the procedures however this is being actively managed and targeted by the hospital service. This is however being actively managed and Figure 10 provides the most recent publicly reported performance. This is a decrease on the December 2018 position of 96.8% however staff training has now completed and plans are in place to improve performance.

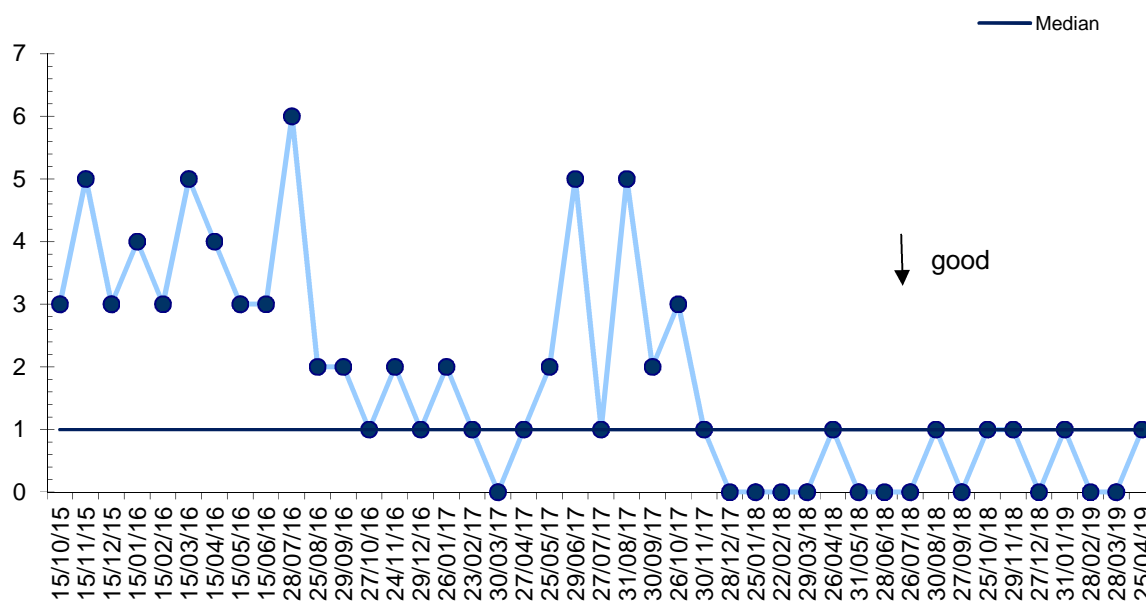
Figure 10: Percentage of patients accessing 8 key diagnostic tests within 6 weeks as at March 2019 - Balfour Hospital and NHS Scotland (Source: NHS Performs)



Patients who are medically fit for discharge but whose discharge has been delayed for non medical reasons

As shown in Figure 11, data from November 2017 onwards shows that at the census date the number of patients recorded as being a delayed discharge has been either 0 or 1. Minimising delays in discharge from hospital continues to be an area of multi-disciplinary focus however with limited availability of both home care and residential care there has been significant delays for a number of patients with the impact being felt within the availability of beds in the Balfour Hospital. This issue continues to be actively managed, with liaison between the hospital nursing staff and the Allocation of Resources Committee (ARC) chaired by the Head of Health and Community Care central to maintaining the timely flow of patients across the healthcare system. Figure 11 provides an overview of performance up until the census date in April 2019.

Figure 11: Patients who are medically fit for discharge whose discharge has been delayed for non medical reasons, Balfour Hospital October 15 – April 19, all reasons
(Source: NHS Performs)



Appendices

- Appendix 1: LDP Standard Performance
- Appendix 2: Annual Operational Plan Trajectories

Appendix 1: LDP Standard Performance – NHS Orkney
(Source: NSS Discovery LDP Dashboard)

LDP Standard	Current (date)	Previous (date)	Standard
4 hour A&E	92.00 (30/04/19)	93.70 (31/03/19)	95.00
12 week first OP	78.90 (31/03/19)	71.35 (28/02/19)	95.00
12 week TTG	67.65 (31/03/19)	77.46 (28/02/19)	100.00
18 week referral	90.82 (31/03/19)	84.60 (28/02/19)	90.00
48hour Access GP	98.77 (31/03/18)	97.58 (31/03/16)	90.00
Access to antenatal	100.0 (30/09/18)	100.0 (31/08/18)	80.00
Adv booking GP	96.15 (31/03/18)	97.64 (31/03/16)	90.00
Alcohol Brief Interventions ¹	246 (31/03/2019)	150 (31/012/18)	80.00
Cancer WT (31 days)	100.0 (30/04/19)	100.0 (31/03/19)	95.00
Cancer WT (62 days)	100.0 (30/04/19)	100.0 (31/03/19)	95.00
Cdiff in ages 15+	0.75 (31/12/18)	0.56 (30/09/18)	0.32
Dementia PDS	77.78 (31/03/17)	100.0 (31/03/16)	-
Detect cancer	14.29 (31/12/17)	23.23 (31/12/16)	29.00
Drug & Alcohol Referral	100.0 (25/04/19)	100.0 (28/02/19)	90.00
Faster Access to CAMH	76.92 (31/03/19)	100.0 (31/12/18)	90.00
Faster Access to PT	78.79 (31/03/19)	61.54 (31/12/18)	90.00
IVF Treatment WT	100.0 (31/03/19)	100.0 (31/12/18)	90.00
MRSA/MSSA	0.20 (31/12/18)	0.07 (30/09/18)	0.24
Sickness Absence	4.47 (31/03/19)	4.98 (28/02/19)	4.00
Smoking Cessation	147.37 (31/12/18)	21.05 (30/09/18)	60.00

1. Alcohol Brief Interventions (ABIs)

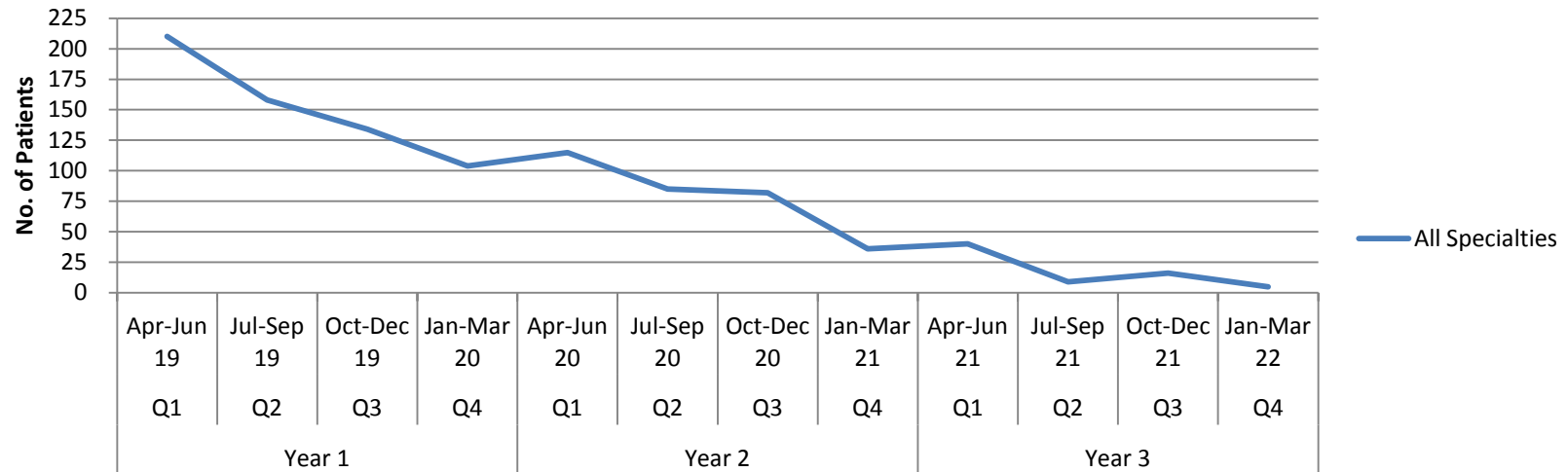
2018/19 Annual target = 249 ABIs with 80% delivery in priority settings:

Q4: 177 ABIs delivered this quarter (96) in priority settings.

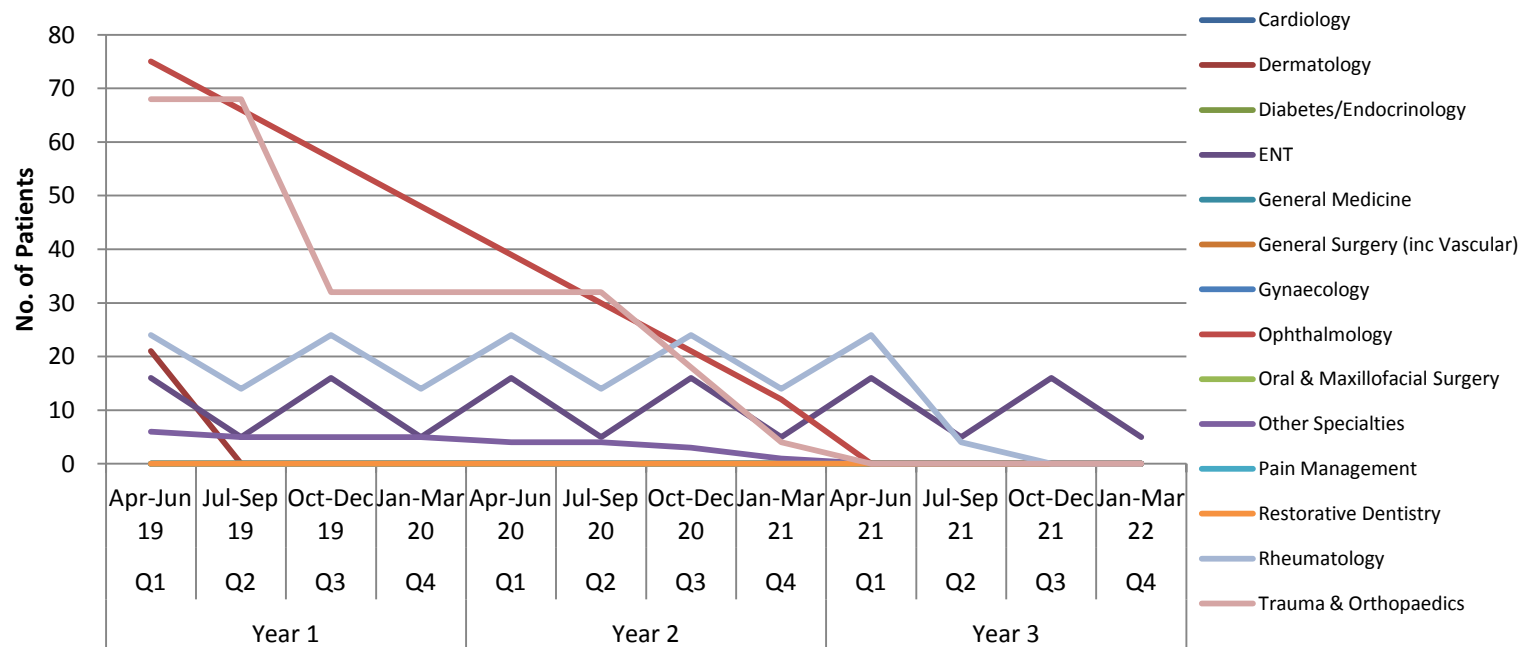
Overall Totals for 2018-19: 549 ABIs delivered (246 delivered in priority settings).

Appendix 2 – Annual Operational Plan Trajectories

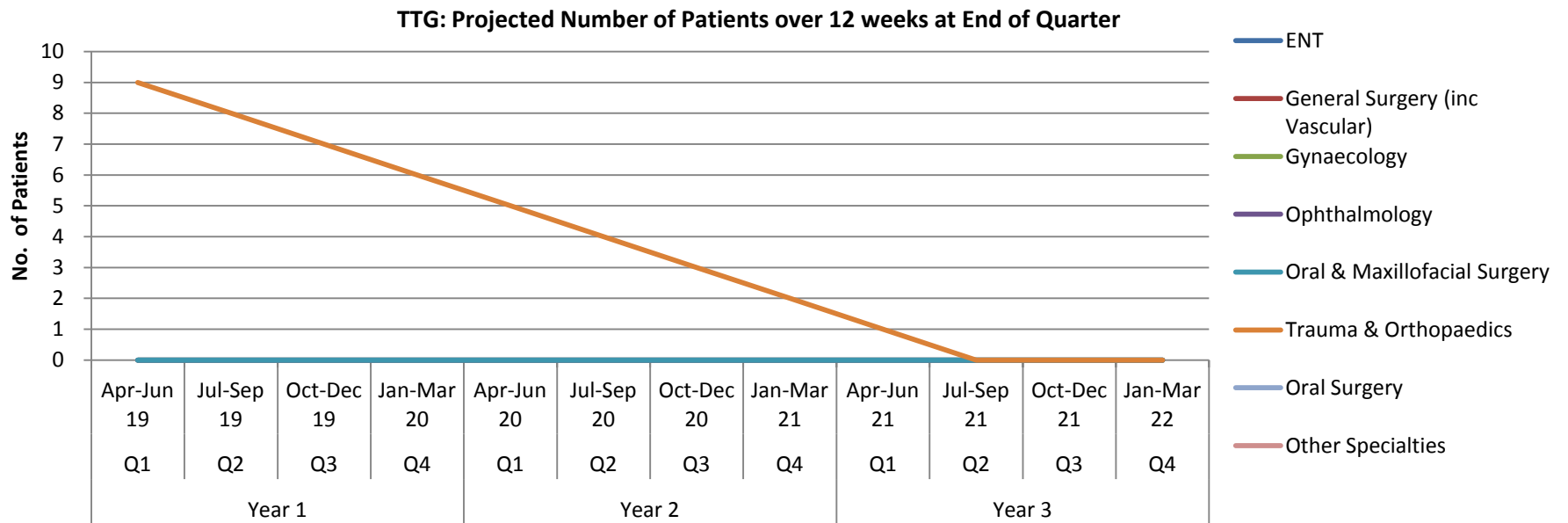
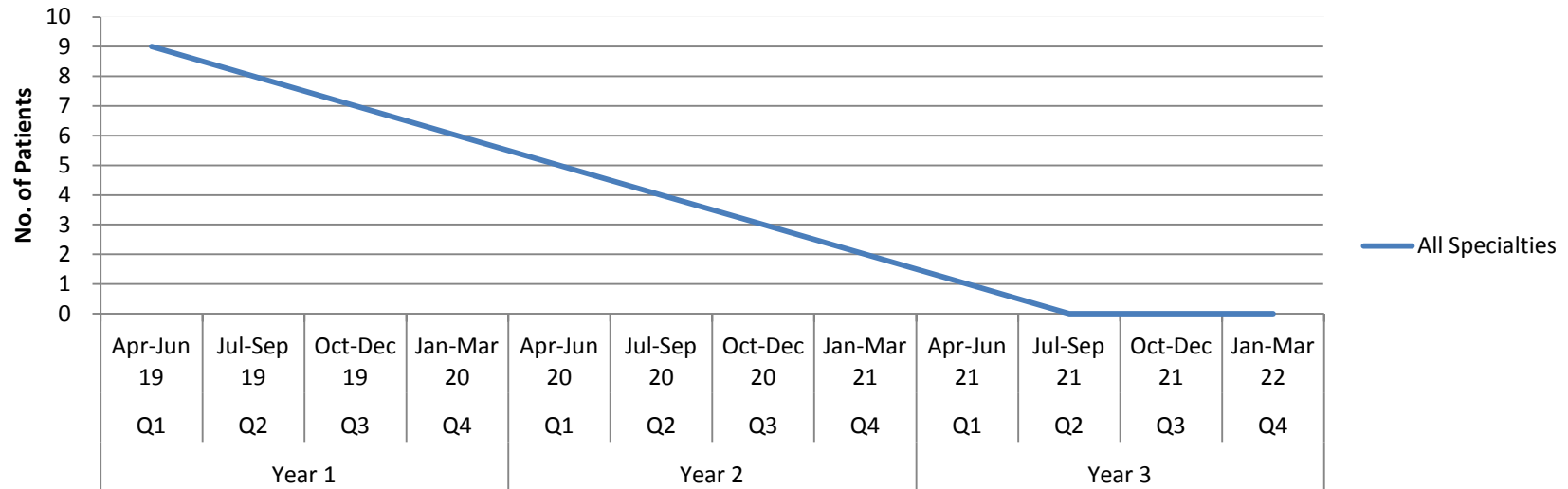
OP: Projected Number of Patients over 12 weeks at End of Quarter



OP: Projected Number of Patients over 12 weeks at End of Quarter

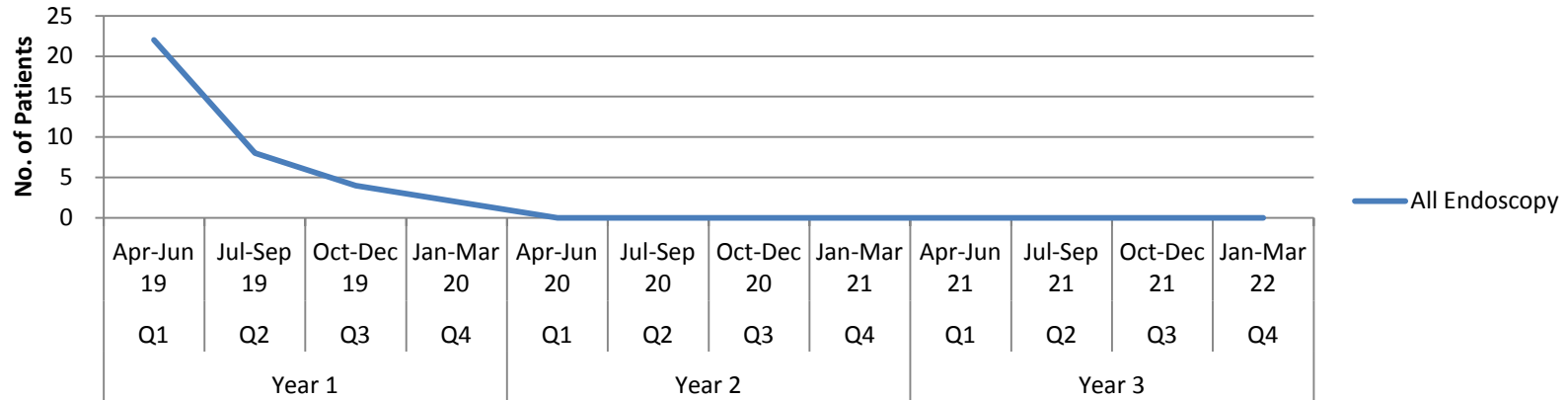


TTG: Projected Number of Patients over 12 weeks at End of Quarter

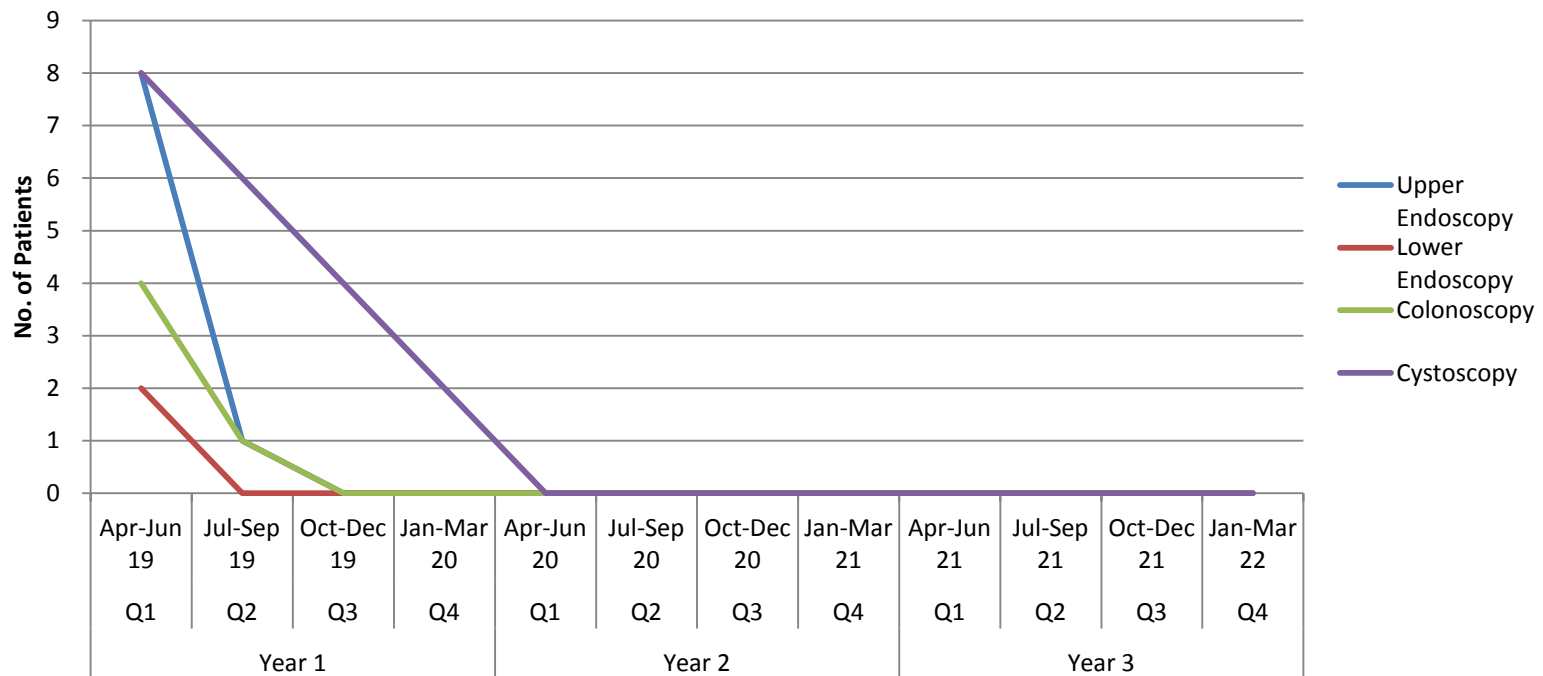


Appendix 2 – Annual Operational Plan Trajectories

Endoscopy: Projected number of patients over 4 weeks at quarter end



Endoscopy: Projected number of patients over 4 weeks at quarter end



There are expected to be 0 breaches of the waiting times targets for Cancer and Radiology

Not Protectively Marked

NHS Orkney Board – 26 June 2019 This report is for noting Finance and Performance Committee – Chair’s Report	
Lead Director Author	Gerry O’Brien, Chief Executive Davie Campbell, Finance and Performance Committee Chair
Action Required	The Clinical and Care Governance Committee is asked to: 1. <u>Review</u> the report and note the issues raised
Key Points	This report highlights key agenda items that were discussed at the Finance and Performance Committee meeting on 28 May 2019 and it was agreed that these should be reported to the Board: <ul style="list-style-type: none"> • Year End Position • Savings Plan – Off Island Travel / SLA • Unidentified Savings Report
Timing	The Finance and Performance Committee highlights key issues to the Board as appropriate.
Link to Corporate Objectives	The Corporate Objectives this paper relates to: <ul style="list-style-type: none"> • Improve the delivery of safe, effective patient centred care and our services; • Optimise the health gain for the population through the best use of resources; • Pioneer innovative ways of working to meet local health needs and reduce inequalities; • Create an environment of service excellence and continuous improvement; and • Be trusted at every level of engagement.
Contribution to the 2020 vision for Health and Social Care	The work of the Finance and Performance Committee is supporting the delivery of the 2020 vision for health and social care through the delivery of its work programme with a specific focus on operating within a context of affordability and sustainability.
Benefit to Patients	Delivery of the best possible outcomes for the people of

	Orkney within available resources.
Equality and Diversity	No specific equality and diversity elements to highlight.

Not Protectively Marked

NHS Orkney Board

Finance and Performance Committee – Chair’s Report

Davie Campbell, Finance and Performance Committee Chair

Section 1 Purpose

The purpose of this paper is to provide the minute of the meeting of the Finance and Performance Committee and to highlight the key items for noting from the discussions held.

Section 2 Recommendations

The Board Committee is asked to:

1. Review the report and note the issues raised

Section 3 Background

This report highlights key agenda items that were discussed at the Finance and Performance Committee meeting on 22 May 2019 and it was agreed that these should be reported to the Board.

Section 4 Issues Raised

1. Year End Position

The Head of Finance delivered the Financial Management Performance report to the Committee. The key items illustrated to members were:

- £27,000 under spent on the Core Revenue Resource Limit utilising £0.363m of reserves
- The continued high level of expenditure related to the service level agreement for mental health services
- Pharmacy under spend of £156,000 due to vacancies
- Grampian Acute SLA under spend of £421,000 due to activities being less than budgeted at £5.1m
- Capital Resource Allocation of £29.951m for 2018/19 has a break even outturn position, £29.03m of which was used against the new Hospital and Healthcare facility

2. Savings Plan – Off Island Travel / SLA

The Head of Transformational Change and Improvement delivered the Off Island Travel and Service Level Agreement update. They key items illustrated to members were:

- The savings target attributed to off island travel and the acute services SLA was £750k for 2019/2020
- NHS Orkney had been awarded £63k over the period October 2018 – March 2020 to support the roll out of NHS Near Me (Attend Anywhere) as part of the national scale up. The Medical Director had been identified as the clinical lead for this project
- Closer working relationships had been established between NHS Orkney, Shetland and Grampian.

Members were assured of progress.

3. Unidentified Savings Report

Members of the Finance and Performance Committee discussed the Unidentified Savings Report.

Members noted the savings challenges faced by NHS Orkney. Unidentified savings of £2.2m would be delivered through a range of savings schemes. Meetings starting in July 2019 with key individuals would be established to fully review service areas in order to deliver a balanced budget.

Appendices

- **Appendix 1** – Approved Minute of the Finance and Performance Committee meeting held on 28 March 2019.

Orkney NHS Board

Minute of meeting of **Finance and Performance Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Thursday, 28 March 2019** at **09:30**

Present: Davie Campbell, Non-Executive Director (Chair)
Mark Doyle, Interim Director of Finance
Caroline Evans, Non-Executive Director
Meghan McEwen, Non-Executive Director (via TC)
Gerry O'Brien, Chief Executive
James Stockan, Non-Executive Director (Vice Chair)

In Attendance: Christina Bichan, Head of Transformational Change and Improvement
Lauren Johnstone, Committee Support (minute taker)
Ian Kinniburgh, Board Chair (via VC)
Derek Lonsdale, Head of Finance
Kenny Low, Value and Sustainability Lead
Fiona MacKellar, Employee Director
Pat Robinson, Chief Finance Officer
Emma West, Corporate Services Manager

747 **Apologies**

The meeting invite had been extended to members of the Area Partnership Forum.

Apologies were noted from Ashley Catto, Malcolm Colquhoun, Linda Hall, Ian Kinniburgh, Kathleen MacKinnon, David McArthur, Caitriana McCallum, Bob McGlashan, Julie Nicol, Marthinus Roos, Kate Smith, Maureen Swannie and Louise Wilson

748 **Declarations of Interests – agenda items**

No declarations of interest were raised with regard to agenda items.

749 **Minutes of Meeting held on 31 January 2019**

The minute of the meeting held on 31 January 2019 was accepted as an accurate record of the meeting and was approved, with the following amendment:

- J Stockan to be added to attendance record as present
- 732 Financial Management and Control 2018/19 – Financial Management Performance Report for period ended 30 September 2018 should read 31 December 2018.
- 732 Financial Management Report and Control 2018/19 - At the end of January 2019, NHS Orkney was in a position of £923k overspent should read December 2018.

750 **Matters Arising**

327 Heart Failure Nurse

The Chief Executive advised members a paper had been drafted by the Head of Primary Care Services. The paper included a number of options as a way forward and discussions were ongoing. I Kinniburgh, Board Chair noted that the item had been

ongoing for a considerable amount of time and queried the changes suggested to reinvigorate the project.

The Chief Executive confirmed that the 0.5WTE post would not be re-advertised and the option of additional physiotherapy and administration support to create increased capacity for existing staff would be considered. An update would be circulated when available.

Post meeting Note:

The Chief Executive and Chief Officer met with members of the local Orkney Heart Group and have agreed 1)an immediate increase to available administration support 2)exploration of options to provide additional physiotherapy support to the rehabilitation service and 3)a reworking of the current job description to full time and a reinvigorated recruitment process involving NES and other educational areas.

736 Travel Project

The Chair informed members that the Board discussed the Orkney-wide continuing connectivity issues and agreed to arrange a wider discussion before writing to the Scottish Government. I Kinniburgh, Board Chair confirmed that he had begun discussions throughout the Highlands and Islands and raised the issue at the last Cabinet Secretary meeting.

751 **Action Log**

The action log was reviewed and members agreed that the recurring item would be removed from the action log and reported on as and when required.

Annual Operational Plan 2019/20

752 **Draft Operational Plan – FPC1819-45**

The Chief Executive introduced the plan to members of the Committee seeking approval for submission to the Scottish Government.

The Head of Transformational Change and Improvement informed members that in order to deliver the waiting time trajectories the requested investment was required. If funding was not received then these trajectories will not be deliverable and discussions to agree next steps would be undertaken.

The Head of Transformational Change and Improvement outlined the presentation advising that the three year plan included clear deliverables in year one and broader outlines for direction in years two and three. Members noted that guidance for the plan was received late in the day. Quarterly trajectories have been set based on historical referral patterns.

Assumptions have been made on principles of sustainability, and care closer to home would be the focus of delivery. Key clinical priorities would be identified through a refreshed Clinical Strategy and monitored through appropriate governance channels. Reference had been made to the Quality of Care Pilot and it was anticipated that performance would be enhanced through the commitment to and delivery of the Waiting Times Improvement Plan and the associated Quality Improvement Access Collaborative.

11.3.1

Endoscopy services project a balanced position by quarter four in year one and that the demand and capacity within Radiology were also well aligned.

L Bradford informed The Head of Transformational Change and Improvement that a mental health strategy was under development in order to assist meeting the 18 week referral trajectory. Members noted that this target was not routinely met, however took assurance that CAMHS target performances had improved.

Members took assurance that the Cancer 31 day and 62 day standards were met at 100% (standard 95%). Following discussion it was agreed that the Board target should be 100% as a consequence of our small numbers although dependency on other health boards was recognised as a limiting factor.

The Head of Transformational Change and Improvement advised members that the information detailed within the Inpatient / Day Case TTG Breaches graph was broadly reliant on clearing the backlog of cataracts, and that there was an action to seek support for addressing this through the national contract which was being established. Members were reminded of the fluctuating pattern of visiting services which do result in breaches periodically.

In year one, two and three roughly 500 additional outpatient slots would be created throughout the specialities; however this would come with financial implications. The timing of the move to the new hospital was accommodated within the plan as there would be unavoidable impact on the availability of appointments from down time during the migration period. J Stockan agreed that quarterly reporting would also present its challenges and limit the flexibility of approach.

Members were informed that without investment the number of patients breaching the access targets would rise considerably year on year, largely across two or three specialities. Without reoccurring investment, members agreed it would be difficult to meet the projected targets.

The Board Chair sought clarity that the suggested proposals could only be carried out if additional funding was received. The Chief Executive advised that a full assessment on the feasibility of other funding had not been carried out and that it would be a legitimate challenge to consider what else could be done to fund this should access monies not be made available to the Board.

The Employee Director highlighted that if cataract appointments were not increased; admissions to the falls clinic would, resulting in a knock on effect on overall admissions and noted that there were much broader consequences than target performance if this investment was not made.

The Performance Improvement plan detailed the suggested split of funding allowing considerable gaps to be filled. The Head of Transformational Change and Improvement advised that pain management required investment and that the right consultant support for this was paramount.

The Head of Transformational Change and Improvement highlighted the main risk presented within the plan was the assumption of workforce availability. Advocates for the service were available but funding was lacking. M McEwan stressed the importance of follow up patient care. The Employee Director advised that pathways were available for the clinicians so that patients had security once consultants had left Orkney. The Chief Executive highlighted the imminent challenges presented due to retirement and that there

would be heavy reliance on locums.

The Head of Transformational Change and Improvement concluded that trackers were put in place by the Health Intelligence team in the areas for review, however due to the new hospital move these will be impacted as necessary changes were made to our recording and reporting structures.

The Chief Executive closed the discussion by informing members that it was unlikely that we would be offered the same funding as last year, and in response the Board would stress the financial impact that this would bring including the potential closure of areas within the hospital.

Decision/Conclusion

Members approved the draft for submission to the Scottish Government.

753 Draft Financial Plan FPC1819-46

The Interim Director of Finance presented the draft Financial Plan 2019/20 to 2021/2022.

Members were advised that the Cabinet Secretary announced in the Scottish Parliament that NHS Boards would move to a three year planning and performance cycle commencing in 2019/20. NHS Orkney was required to set out a breakeven position over the three year planning period. Where this requirement was met, the Board would have flexibility to report under or overspends of up to one per cent of Boards' core revenue resource funding.

The Interim Director of Finance added where NHS Orkney could not deliver a break even position over three years it would remain escalated as part of the NHS Board Performance Escalation Framework.

Discussions continued with the Scottish Government around funding for depreciation for the new hospital £1.80m, an additional capital to revenue transfer of £3.4m and funding to meet the increased medical staffing costs of £2m.

J Stockan queried why depreciation was paid if the building was not owned by the Board. The Chief Executive responded that even though the building was not directly owned by the Board it is still required to be accounted for on the balance sheet.

Over the three year period, the Board is required to deliver £6m of planned savings as follows:

	2019/2020 £000's	2020/2021 £000's	2021/2022 £000's	Total
Planned Savings	750	750	750	2,250
Medical Staffing		1,000	500	1,500
Unidentified savings		2,100	100	2,200
	750	3,850	1,350	5,950

It was anticipated that £1m could be saved on medical staffing in year 2020/2021 and £500,000 in 2021/2022, although there were currently no plans in place in to deliver the

11.3.1

unidentified savings of £2.2m. The Board was in a good position to break even in 2019/2020.

Members were advised that the Head of Transformational Change and Improvement had plans in place to deliver savings of £250k within travel and £500k with regard to the Grampian Service Level Agreement.

The Chief Executive added that the response for the recently advertised vacancies for the positions of Consultant Surgeon, Anaesthetist and Physician had been very positive. It was felt that the invaluable input from start to finish from the Medical Director, the use of a high quality advert, along with the imminent opening of the new hospital had increased interest to the posts.

Members were informed that unidentified savings were anticipated to be made throughout the Primary Care services, review of hospital medical staff and off island mental health support. J Stockan added that the reduction of staff sickness levels would contribute positively to the projected savings. The Chief Executive advised it would make a small saving but would have a bigger effect on staff morale and delivery.

The Interim Director of Finance advised members that the Board hoped to be in a position to report a break even scenario to the Scottish Government after the three year period. He stressed that a change of mindset was paramount throughout the Board to assist in reaching targets. It was suggested that ground level staff may be aware of further saving improvements.

Members were informed of the increased costs associated with the new hospital. Costs would be implemented later than 1 April 2019 allowing time for plans to be put in place to deliver a balanced position. Double running and migration costs were estimated to be in the region of £1.271m.

The Interim Director of Finance advised that no additional cost pressures would be funded in 2019/2020. Given the constraints of the overall funding envelope, there was no capacity to fund existing cost pressures of £1.186m. If the Board were to fund any additional cost pressures then it would require a corresponding increase in the savings target. Should funding become available during 2019/20 the Board would reconsider the options available to meet some of these costs. Accordingly, existing pressures were expected to be managed at a local level.

The wider financial challenge must be addressed through transformational change across the whole system which would involve a continuing change in mindset and emphasis on the need to balance financial performance with all other operational performance targets and priorities. The draft Annual Operational Plan would capture the full detail of service plans and financial priorities. A draft of the Annual Operational Plan was required for submission to the Scottish Government by the end of March 2019. Given the timing of the receipt of the Annual Operational Plan guidance (25 February), the dates of Governance Committees and the NHS Orkney Board meeting, the initial draft submission would be heavily caveated, given that there was insufficient scope for detailed scrutiny by the Board prior to submission. The Annual Operational Plan would be further developed and refined for formal consideration through the Board's governance processes thereafter. The financial plan, as set out in the report, and the budget setting proposal flowing from the plan would, however, be considered by the NHS Board at the end of 25 April 2019.

Both the Chair and M McEwen queried the large increase from the original business case of the Interim Director of Finance confirmed that this was due to utility, rate costs and other agreed Board costs. The original rates included within the plan were based on those of the old Balfour Hospital. The original business case was first drafted in 2010.

The Chief Executive noted that the original costs were underestimated and the new figures were based on the maximum estimated costs. Until the move there would be some uncertainty around the running costs and what impact, if any, the single room set up would cost.

The Interim Director of Finance concluded the presentation and thanked The Head of Finance and K Low for their contributions to the plan.

Decision/Conclusion

Members approved the draft for submission to the Scottish government.

Financial Management and Control 2018/19

754 Financial Management Performance Report for period 28 February 2019 – FPC1819-47

The Head of Finance delivered the Financial Management Performance report to the Committee. The key items illustrated to members were:

- The current medical staffing pressures had been discussed with the Scottish Government and since, £1.8m had been received to assist with those. Members were informed that hospital medical staffing no longer appeared within the spending pressures table as this additional funding created a break even result.
- The spending pressure table highlighted a continued high level of expenditure related to the service level agreement for mental health services. Members were advised that the increase this year was due to the change in cost for bed days and increased costs for psychiatry cover.
- Patient travel had increased by 318 passengers travelling compared to the similar period last year; however the percentage of escorts remained at 34%. Work was ongoing identifying attend anywhere, to reduce the numbers of passengers travelling. Radiology was overspent by £100,000 with a forecast outturn of £112,000 due to use of 3 locums to cover vacancies in ultrasound and CT and ensuring the on-call rota was maintained in addition to the waiting times. One locum finished in February; however, another is due to maternity leave from April.
- Acute receiving and the Acute ward were over spent as a result of high sickness levels and maternity cover. The current over spend position within wards and theatre is £157,000.

The Head of Finance informed members of the cost centres which had an under spend greater than £100,000. This included Pharmacy at £133,000 due to vacancies and the Grampian Acute SLA of £316,000 due to activities being less than budgeted at £5.1m. He advised that this may not continue as NHS Orkney would be required to actively manage the SLA. J Stockan queried if the extra funding requested by the Head of Transformational Change and Improvement would support the SLA. The Head of Transformation Change and Improvement confirmed that it would not.

The Head of Finance drew member's attention to the summary table detailing pressures

within service areas.

J Stockan queried the funds detailed as 'not yet allocated'. The Head of Finance advised that this was funding received from the Scottish Government which we had not yet allocated. It was confirmed that the IJB had received their full allocation.

Members noted the OHAC savings target of £1.060m. with a split of £0.342m non recurrent and £0.718m recurrent. £0.619m (58%) of non recurring savings have been achieved and removed up to month 11. This was achieved due to vacant positions. The Employee Director queried if the positions were due to be recruited to or being removed. It was confirmed that the positions were due to be filled.

The Head of Finance concluded that the Board was forecasting a break even position.

J Stockan commended those involved in the negotiation of funding from the Scottish Government to cover the increased cost pressures resulting from locum hire.

The Employee Director queried if the areas with high levels of sickness absence were those with vacant positions. Sickness absence was highlighted as a concern within the Annual Review feedback. C Evans suggested escalating to the Area Partnership Forum for further investigation.

Decisions/Conclusion

The Committee noted the Financial Management Performance Report and were assured of progress.

Governance

755 Terms of Reference

The Committee approved the updated Terms of Reference.

756 Programme of Business / Workplan

The Committee approved the updated Programme of Business / Workplan.

757 Committee Risks, Controls and Assurance Framework

The Committee approved the updated Committee Risks, Controls and Assurance Framework.

758 Issues raised from Governance Committees / Cross Committee Assurance

No issues had been raised.

759 Agree key items to be brought to Board or other Governance Committees attention

Board

- Approval of submission of the draft Operational Plan to the Scottish Government
- Approval of submission of the draft Financial Plan to the Scottish Government
- Financial Management Performance Report for period ended 20 February 2019

760 **Any Other Competent Business**

There was no other business raised for discussion.

761 **Items for information and noting only**

There were no items for information or noting.

762 **Schedule of Meetings 2019/20**

Members noted the schedule of meetings.

763 **Record of attendance**

Members noted the record of attendance.

764 **Committee Evaluation**

The Chair concluded that the diluted agenda had allowed members to focus and create good discussion on the three main topics.

M McEwen thanked those who had provided reports at short notice.

The Chief Executive felt the meeting flowed well, and that the amendments approved within the Workplan will ensure that items were dealt with in good time.

The meeting closed at 11:07

Not Protectively Marked

NHS Orkney Board – 26 June 2019	
This report is for noting	
Audit Committee Chair's Report	
Lead Director Author	Gerry O'Brien, Chief Executive Meghan McEwen, Audit Committee Chair
Action Required	The Board is asked to: 1. <u>Note</u> the report and <u>seek assurance</u> on performance
Key Points	This report highlights key agenda items that were discussed at the Audit Committee meeting on 14 May and 4 June 2019 and it was agreed that the following items should be reported to the NHS Orkney Board: <ul style="list-style-type: none"> • Annual Accounts
Timing	The Audit Committee highlights key issues to the Board following each meeting.
Link to Corporate Objectives	The Corporate Objectives this paper relates to: <ul style="list-style-type: none"> • Improve the delivery of safe, effective patient centred care and our services • Optimise the health gain for the population through the best use of resources • Create an environment of service excellence and continuous improvement
Contribution to the 2020 vision for Health and Social Care	The work of the Audit Committee is supporting the delivery of the 2020 vision for health and social care through the delivery of its work programme with a specific focus on supporting the Board in its responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge
Benefit to Patients	Delivery of the best possible outcomes for the people of Orkney within available resources.
Equality and Diversity	No specific equality and diversity elements to highlight.

Not Protectively Marked

NHS Orkney Board

Audit Committee Chair's Report

Meghan McEwen, Audit Committee Chair

Section 1 Purpose

The purpose of this paper is to provide the approved minute of the meeting of the Audit Committee and to highlight the key items for noting from the discussions held.

Section 2 Recommendations

The Board is asked to:

1. Review the report and note the issues raised
2. Adopt approved committee minutes

Section 3 Background

This report highlights key agenda items that were discussed at the Audit Committee meetings on 14 May and 4 June 2019 and it was agreed that these should be reported to the NHS Orkney Board.

Section 4 Issues Raised

1. Annual Accounts

The Committee received the draft version of the Annual Accounts for review and comment, it was noted that the final version would be taken to the Audit Committee meeting on the 26 June seeking a recommendation of Board approval.

Appendices

- Approved Audit Committee Minutes from 5 March and 14 May 2019

Orkney NHS Board

Minute of meeting of the **Audit Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Tuesday, 5 March 2019** at **11:30 a.m.**

Present: Meghan McEwen, Chair
Davie Campbell, Non-Executive Director
Fiona MacKellar, Employee Director
James Stockan, Non Executive Board Member

In Attendance: Christina Bichan, Head of Transformational Change and Improvement
Gerry O'Brien, Chief Executive Officer
Chris Brown, Head of Audit and Assurance, Scott-Moncrieff
Tom Gilmour, Head of eHealth and IT
Colin Morrison Audit Scotland (via VC)
Julie Nicol, Head of Organisational Development and Learning (Information Governance Group Chair)
Heidi Walls, Committee Support (minute taker)

797 **Apologies**

Apologies were noted from M Doyle, D Lonsdale, D McArthur, L Wilson, M Swann and G Woolman.

798 **Declarations of Interest**

There were no declarations of interest noted.

799 **Minutes of previous meeting held on 4 December 2018**

The minute of the Audit Committee meeting held on 4 December 2018 was accepted as an accurate record of the meeting, subject to the below amendments, and was approved.

- Page 9 second paragraph - amendment of the sentence to read 'It would also be the Fraud Champion's responsibility to promote the Fraud Liaison Officer and the Employee Director with Human Resources and to appoint investigators for any fraudulent incidents identified.
- Page 9 fourth paragraph – amendment from 'within' to 'with'
- Page 9 post meeting note – amendment from 'The Risk Management Strategy' to 'The Risk Management Strategy and Policy'

J Stockan highlighted an amendment from 'apologies' to 'attending' to the record of attendance for the 4th December Audit committee meeting.

800 **Matters Arising**

67 – Laboratory Services Contract

It was noted that an update had been expected at this meeting, but the Chief Executive advised members that whilst it had been reviewed and a recommendation to sign received from the Central Legal Office there were still some issues relating to procurement that needed further work.

Counter Fraud

Page 8 It was noted that a further conversation with Head of Finance regarding Counter Fraud was planned

629 - Fraud Champion

The chair noted that the appointment of new confidential contacts was still outstanding but would be addressed.

635 – Children and Young People’s Mental Health (Audit Scotland report)

The Chief Executive Officer advised members that Dame Denise Coia had given a very helpful update at a recent joint chairs/Chief Executive Officer meeting and that he would be taking forward local actions with the Chief Officer.

The Chief Executive Officer updated members on the wider remits of J Nicol and C Bichan across technology and risk and noted that they would attend meetings for relevant agenda items. Both were warmly welcomed by the chair.

801 **Action Log**

The Action Log was reviewed and corrective action agreed on outstanding issues (see Action Log for details).

802 **Cyber Threat Monitoring Questionnaire – AC1819-64**

The Head of eHealth and IT delivered the report on the cyber threat monitoring questionnaire, which was one of a number of such documents received from Scottish Government and was aimed at gauging organisational appetite for this service.

The Head of eHealth and IT noted that In common with many NHS boards NHS Orkney does not have any dedicated capacity to fulfil this function, so the concept of central monitoring would be warmly welcomed and this was the message included in the response submitted. Feedback on the submission was awaited.

It was noted that there had been cyber attacks to which NHS Orkney had responded and The Head of eHealth and IT advised members that upgraded antivirus software and a proactive approach to seeking out unusual behaviour were key local defensive measures. He also explained that in the absence of standardisation there was a wide range of different tools and products across the NHS and work had been carried out to assess this locally so that expertise in common tools could be developed.

In response to a query, the Head of eHealth and IT confirmed he would explore whether there were any similarities with the submissions of colleague boards and confirmed that although until recently there had been no national framework the two main antivirus packages in use across the NHS were Sophos and McAfee. He also noted that Office 365 was provided with a cyber defence add on and that Windows 10 had a more mature virus protection. Although a central approach was still in the early stages, it was noted that a start had been made.

The Chief Executive Officer enquired about the lessons learnt from the NHS

Lanarkshire WannaCry cyber attack in May 2017 and the Head of eHealth and IT explained that although initially it was thought access had been gained via email, an unprotected shared network folder had been identified as the most likely culprit and had allowed the attack to spread across boards.

The Head of eHealth and IT noted that a number of technical and non technical learning outcomes had been identified, but he highlighted the actions taken in the event of an attack as a key development area. He described the communication challenges that had been experienced and noted the establishment of the National Services Scotland Cyber Security framework, the streamlined communications between Scottish Government, NHS boards and Police Scotland and the local review of board internal processes as subsequent outcomes.

11.55 J Stockan, Non Executive Board Member, joined the meeting

In response to a query relating to NHS Orkney's progress toward the mandatory Cyber Essentials Plus accreditation for public sector organisations by 2021, the Head of eHealth and IT advised members that the continued use of the unsupported Microsoft 2007 presented the main barrier along with local issues relating to Microsoft patching. The move to Microsoft Office 365 was the planned solution, but it was noted that this journey had just started. The roll out of Windows 10 was also underway as support for Windows 7 would expire within 12 months. The actions taken to strengthen defences in the new hospital with improved firewalls and a more secure network were also described and noted.

Decision / Conclusion

The Audit Committee noted the report, received assurance on progress made and looked forward to further updates as work progressed.

External Audit

803 NHS Scotland Overview Report – AC1819-53

The Chief Executive Officer presented the NHS Scotland Overview Report which was published by the Auditor General. He noted the importance of reflection on the key messages and highlighted a change in focus towards the long term sustainability of NHS.

Members were advised that NHS Orkney was looking to achieve financial balance this year., Future financial and performance challenges were highlighted and noted. It was agreed that the report provided a robust, but clear, message and that assurance could be taken from NHS Orkney's comparative position and that performance delivery would be a key focus going forward.

The dichotomy of the political reality versus the public perception of the NHS and the ensuing communication and education issues raised by the messages within the report was noted by members. Good governance was highlighted as the key measure to empower front line staff in dealing with challenging service delivery messages and to ensure robust organisational defence of any subsequent criticism.

The Chief Executive Officer recommended the non executive checklist on the

Audit Scotland website as a valuable resource. <http://www.audit-scotland.gov.uk/report/nhs-in-scotland-2018>

Decision / Conclusion

The Audit Committee noted the report.

Internal Audit

804 Internal Audit Progress Report – AC1819-54

The Head of Audit and Assurance presented the Internal Audit Progress report to the Committee which provided a summary of internal audit activity during the year to date. It also confirmed the reviews planned for the coming quarter and identified changes made to the original annual plan.

The reported position was positive overall with only a couple of highlighted actions around common themes regarding evidenced and monitored Service Level Agreements (SLA).

Decision / Conclusion

The Audit Committee noted the report and received assurance on progress made.

Internal Audit Reports

805 Payroll report – AC1819-55

The Head of Audit and Assurance presented the payroll report to the Committee and highlighted two observations relating to the need for clear processes to report and monitor key performance indicators (KPI) and to ensure corrective action was taken.

Members were advised that reluctance to document arrangements within smaller boards, used to working collaboratively, was not an unusual finding, but performance couldn't be assessed unless requirements and controls were written down.

It was confirmed the Head of Finance would undertake an annual review.

It was noted that developing robust SLA's should be fairly straightforward, but action options if delivery should fall short of agreed KPIs was more of a challenge. The potential implications of the national agenda for payroll were noted.

The Chief Executive confirmed that average cost per payslip at other boards was readily available which could provide comparative assurance.

Decision / Conclusion

The Audit Committee noted the report and received assurance on progress

made.

806 **Procurement report – AC1819-56**

The Head of Audit and Assurance presented the procurement report to the Committee.

The Chief Executive confirmed that a community policy was part of the procurement strategy.

Decision / Conclusion

The Audit Committee noted the report and received assurance that NHS Orkney's procurement procedures reflected good practice and were well designed.

807 **Performance Management report – AC1819-57**

The Head of Audit and Assurance presented the performance management report to the Committee and highlighted it as a really positive report and noted no areas of improvement as a rare outcome.

Members noted the point on page five of the report regarding the absence within board updates of details around current or planned remedial action and the Head of Audit and Assurance suggested consideration be given to their inclusion so the information could be considered in advance of meetings.

Members were advised that such actions were often developed at the meetings as they were discussed in many forums so the picture and narrative was an evolving one, but agreed it was an issue for further thought.

Members also highlighted that whilst smart targets were a positive there was a risk that opportunities to identify less tangible issues were missed because the focus was on those which could be measured.

Decision / Conclusion

The Audit Committee noted the report and received assurance that review of performance against qualitative and quantitative targets was undertaken on a regular basis within NHS Orkney.

808 **Budget Management report – AC1819-58**

The Head of Audit and Assurance presented the budget management report to the Committee, which confirmed that NHS Orkney had robust budget setting. It also confirmed that monitoring controls were in place, along with an appropriate budgeting framework, which reflected and supported the structure and operations of the organisation.

Staff training elements were highlighted as particularly positive by members and the Head of Audit and Assurance noted that it was clear from conversations with budgets holders that they had clarity on organisational processes.

The Chief Executive Officer noted that increasing the time members of the Finance team spent talking to budget holders directly rather than via email was a really useful exercise and the move into the new hospital presented the perfect opportunity to progress this approach.

Appropriate use of language when challenging spend against budget was also highlighted as particularly important for ensuring staff striving to deliver remote and rural services were supported.

Decision / Conclusion

The Audit Committee welcomed a further positive report and received assurance on progress made.

809 Internal and External Communications report – AC1819-59

The Head of Audit and Assurance presented the internal and external communications report to the Committee and noted that overall there was good partnership and efficiencies from working with NHS Grampian, but the recurrent finding regarding evidenced and monitored Service Level Agreements was highlighted along with the need for further clarity of the approval process for the of external communications.

The Head of Corporate Services noted this service was within her new remit and assured members that whilst there was currently no documentation to evidence appropriate processes for external communications they were in place operationally.

In addition to the actions noted within the report, it was agreed that a best value review to consider whether there were other options going forward should be undertaken.

Decision / Conclusion

The Audit Committee noted the report and received assurance on progress made.

Internal and External Audit Recommendations

810 Internal and External Audit Recommendations Follow-up Report – AC1819-61

The Chief Executive Officer presented the Internal and External Audit Recommendations report and updated members on the status of actions.

Although the report proposed the closure of the one outstanding recommendation, it was agreed that it should remain open with a revised target date of July 2019 and plans to further address the issues raised by the recommendation with the Senior Management Team and Board were noted.

The Head of Audit and Assurance reiterated the excellent performance

demonstrated by the reports tabled and the contribution of clear and smart objectives along with the work in response to historic actions was highlighted.

Decision / Conclusion

The Audit Committee noted the report and received assurance on progress

Annual Accounts

811 Annual Accounts Timetable – AC1819-62

The Chief Executive presented the Annual Accounts Timetable to the Committee to update members and seek approval on the plans for the production of the annual accounts.

Decision / Conclusion

The Audit Committee noted and approved the timetable.

Information Governance

812 Information Governance Group Chair's Report

The Head of Corporate Services presented the Information Governance Group Chair's Report, which highlighted the key agenda items discussed at the February 2019 meeting. Her key message around the volume of catch up work required on a number of the issues was noted.

Shared frustration regarding the lack of progress on Selbro was noted. It was confirmed that the destruction of records policy was in place, but there was prioritisation variance across the organisation. It was agreed this item should be added to the action log.

Decision / Conclusion

The Committee noted the Chair's Report, were apprised of the identified risks and assured that actions to address them would be taken.

813 Minutes of the Information Governance Group

The Committee received the minutes of the Information Governance Group meetings which took place on 6 December 2018.

814 Unaccounted for Records

The Chief Executive Officer presented the report on unaccounted for records and advised members that it had been written by H Robertson, Director of Finance, before she left NHS Orkney and should have been included at the last meeting. However he was pleased to be able to confirm that all records were now accounted for.

Decision / Conclusion

The Committee noted the report, warmly welcomed the update and received assurance.

Service Audit Assurance Reports

815 There were no items for discussion at the time of this meeting.

Fraud

816 There were no items for discussion at the meeting.

Risk

817 There were no items for discussion at the meeting.

Governance

818 **Terms of Reference**

The Chair presented the Audit Committee Terms of Reference to members and noted minor amendments needed to ensure they were fit for purpose.

Decision / Conclusion

The Committee reviewed and approved the Terms of Reference.

819 **Programme of Business / Workplan**

The Chair presented the Audit Committee Programme of Business / Workplan to members.

The heavy workload for the months of May and June, particularly alongside the move to the new hospital was noted and the Chief Executive Officer confirmed he would consider this when finalising the programme of reports with the Head of Audit and Assurance.

J Stockan noted the busy period ahead and highlighted the absence of additional work from audit actions as an added benefit of the positive reports received by the committee.

Decision / Conclusion

The Committee approved the Programme of Business / Workplan.

820 **Committee Risks, Controls and Assurance Framework**

The Chair presented the Audit Committee Risks, Controls and Assurance Framework to members.

Decision / Conclusion

The Committee approved the Risks, Controls and Assurance Framework.

821 **Agreed items to be brought to the attention of Board or other Governance Committees**

Agreed items to be brought to the attention of the Board:

- It was agreed that verbal updates on the key issues from the audit reports would be provided at the imminent board meeting and the positive outcomes would be highlighted.

822 **Any Other Competent Business**

No other competent business was noted.

Items for Information and Noting only

823 **Audit Scotland Reports**

Health and Social Care Integration: update on progress

The Committee received the report on Health and Social Care integration from the Audit Scotland website.

824 **Counter Fraud Services**

There was no update at the time of this meeting.

825 **Schedule of Meetings 2019/20**

Members noted the schedule of meetings for 2019/20

826 **Record of Attendance**

Members noted the record of attendance.

827 **Committee Evaluation**

The chair reflecting on the last six months in post noted the progress of her understanding of committee business and thanked members for their support

The Chief Executive highlighted the good quality papers and positive completion of business.

Meeting closed at 13:30

Orkney NHS Board

Minute of meeting of the **Audit Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Tuesday 14 May 2019** at **1:00 pm**

Present: Meghan McEwen, Chair
Davie Campbell, Vice Chair
Fiona MacKellar, Employee Director

In Attendance: Christina Bichan, Head of Transformational Change and Improvement
Mark Doyle, Interim Director of Finance
Patricia Fraser, Audit Scotland
Derek Lonsdale, Head of Finance
Martin Nolan, Professional Trainee, Audit Scotland (observing)
Gerry O'Brien, Chief Executive
Matt Swann, Internal Audit Senior Manager, Scott Moncrieff
Emma West, Corporate Services Manager

Apologies

Apologies had been received from Julie Nicol and James Stockan.

Declarations of Interest

M Swann declared an interest in the Internal Audit contract award and agreed to leave the meeting for this item.

Minutes of previous meeting held on 5 March 2019

The minute of the Audit Committee meeting held on 5 March 2019 was accepted as an accurate record of the meeting and was approved.

Matters Arising

800 – Laboratory Service contract

Members were advised that a paper had been presented to the In Committee session of Board and the contract was now signed and complete.

800 - Confidential contacts

No further information on the appointment of new confidential contacts was available and it was agreed that this would be addressed out with the meeting.

Post meeting note – It was agreed that this would be progressed through the Area Partnership Forum.

Action Log

The Action Log was reviewed and corrective action agreed on outstanding issues (see Action Log for details).

External Audit

No items for this meeting

Internal Audit

Draft Internal Audit Report 2018/19 – AC1920-01

M Swann presented the draft Internal Audit Annual Report 2018/19 which included the annual audit opinion and a summary of conclusions throughout the year.

He drew members' attention to the internal audit opinion which stated that in the auditors' opinion, NHS Orkney has a framework of controls in place that provided reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.

Follow up of internal audit actions and key findings were also include in the report noting that there were no high control objectives or Grade 4 findings reported during the year.

The report also contained a Summary of the Quality Assurance Assessment that had been carried out in July 2018. This external assessment was carried out once every 5 years to provide assurance that the services received were of high quality.

Decision / Conclusion

The Audit Committee noted the draft Internal Audit report 2018/19 without further amendment.

Draft Internal Audit Plan 2019/20 – AC1920-02

M Swann, presented the Draft Internal Audit plan for comment, the plan focused on the areas of proposed coverage for 2019/20 and also detailed areas that had been audited in recent years

Finance and Financial Management Reviews

10 days had been assigned to review the financial controls self assessment which would consist of a review of the overall control environment

Strategic reviews

14 days had been assigned to Risk Management, this would be a two stage process to refresh the risk register via a facilitated workshop and a more detailed review of the risk management policies and processes and the approach taken for risk identification, risk analysis and risk mitigation at strategic and operational level.

The Chair questioned how this scope had been arrived at and was advised that it had been through the previous Director of Finance and work already completed in this area.

The Chief Executive stressed that there was a need to first discuss internally the approach to risk identification to enable a better understanding of the facilitation required.

Workforce Management had been assigned 12 days and would include links to new ways of operating following the move to the new hospital and healthcare facility and the potential advantages of these changes. The review could be completed early to guide the process or later to consider how well it had been implemented.

The Interim Director of Finance raised concerns that if the work was carried out too early there would be a risk that the Board already knew the outcomes and as such it would be beneficial to conduct the audit later in the year.

The Head of Transformational Change and Improvement noted that the scope was very operational and suggested work around strategic workforce planning and the direction of the organisation would be more beneficial.

The Chief Executive and Employee Director agreed that work was required through the Staff Governance Committee around workforce planning ensuring operational and strategic aims were well linked.

Clinical Governance had been assigned 10 days as in previous years and input would be sought from the Clinical and Care Governance Committee around where this should be focused.

The Chief Executive questioned where partnership working was being picked up this year. M Swann advised that as part of refresh of the Internal Audit contract, Orkney Islands Council auditor would draft and have ownership of the plan.

The Chief Executive stated that he could not agree to this as the Integration Joint Board Audit Committee would not be able to meet reporting requirements through their current Audit Committee structure. As accountable officer for NHS Orkney he would not be able to agree to this and should have been involved in these discussions along with the Director of Finance to progress through the Audit Committee.

M Swann acknowledged this and suggested that further discussion around the proposal be agreed out with the meeting and considered further at the Audit Committee meeting on the 4 June 2019.

Operational Reviews

Information Governance had been assigned 9 days and would be broader than GDPR including the adequacy of policies, procedures and governance framework which ensures that the Board complied with relevant regulatory and legal requirements.

The Chair noted that there could be overlap and it was agreed that these would

be reviewed in the assignment plans.

The Head of Transformational Change and Improvement noted C1 Waiting Times should be included in order to meet reporting requirements to Scottish Government.

The Employee Director suggested that with the increase in the use of Electronic Patient Records there could also be potential to audit this area.

15 days had been assigned to a Post implementation review to consider the outcomes of the ICT transformation which formed part of the overarching new hospital programme in order to verify whether the actual outcomes achieved the desired results and met the required outcomes predicted by the Board.

The Chief Executive suggested that this work could be completed earlier in the year to help with prioritisation of eHealth work as there was finite resource to move forward and regional and national solutions should be considered where appropriate. It was suggested that breaking this down into 2 or 3 more specific audit scopes would be beneficial.

4 days had been assigned to property transaction monitoring but as there was nothing to report within 2018/19 these days would be used as contingency.

The Chief Executive noted the importance of aligning the audit timescales with the committee meeting schedule going forward.

Decision / Conclusion

The Audit Committee noted the plan and welcomed an updated version based on the comments to the next meeting.

Draft Internal Audit Contract for 2019/20 onwards – AC1920-03

M Swann declared an interest in the item and withdrew from the meeting.

The Head of Finance advised that the current internal audit contract with Scott Moncrieff had expired on 31 March 2019. The service had gone out to tender with Western Isles, Shetland and Highland NHS Boards following the same tendering route. Three companies responded and all were scored and interviewed, Scott-Moncrieff scored highest with regards to both cost and technical knowledge and all four Boards were in agreement to accept this.

There would be a £6,000 cost increase on the previous contract but this was felt to be reasonable following 5 years without a cost increase. The Committee were asked to approve the awarding of the contract to Scott Moncrieff for three years with an option to extend,

The Interim Director of Finance questioned whether there would be opportunity to have a different partner, C Brown had been with NHS Orkney for 5 years and it would be good to have a change to bring fresh views and opinions.

D Campbell questioned the pricing and was advised that if the full days were not

used they would not be charged, contingency days were also included within the planning.

The Chief Executive noted that Scott-Moncrieff were on national framework due to their association and questioned the legal status of the firm following the joining with Campbell Dallas.

It was agreed that the Head of Finance would clarify the position with national procurement and circulate an update once available.

Post meeting note:

The Head of finance confirmed on the 14 May 2019 that the tender exercise commenced and concluded prior to the merger and so was a valid bid from the framework and still stood. National Procurement were also involved, therefore as there are no issues in the process.

Decision / Conclusion

The Audit Committee agreed to review the information once clarified and approved in principle subject to procurement conditions being met.

Internal Audit Reports

Clinical Governance Review report – AC1920-04

M Swann advised that NHS Orkney had robust controls in place over clinical incident management; there were several areas of good practice and three areas of where controls could be further strengthened. There had been strong responses from management and no significant areas of concern.

The Chair noted that learning from incidents had been raised at a recent meeting of the Clinical and Care Governance Committee and she welcomed the triangulation of information

Decision / Conclusion

The Audit Committee noted the report and the recommendations made.

Waiting Times Report – AC1920-05

M Swann advised that NHS Orkney had robust systems and controls in place to support effective monitoring and reporting of patient waiting times and were complying with legislation based on the sample reviewed.

Decision / Conclusion

The Audit Committee noted the positive report.

Partnership Working – Health and Social Care Integration report – AC1920-06

M Swann presented the report noting that this had been discussed at the March 2019 meeting of the Integration Joint Board Audit Committee. It was noted that the development of the commissioning plan had been delayed and would not be finalised in advance of the new plan period commencing. There had not been a formal interim extension of the 2016-19 commissioning plan approved by the Board of the IJB and it was noted that this may result in the strategic direction of the IJB being unclear until this had been agreed by key stakeholders.

The grading reflected that there had been no significant change in legislation and the existing commissioning plan was in place.

Decision / Conclusion

The Audit Committee noted the report acknowledging that the IJB Audit Committee had been presented with the report and agreed with the recommendations.

ICT project and Programme Management report – AC1920-07

M Swann presented the report noting that the audit had found that on the whole, the project management of the ICT elements of the New Hospital Build project had been effective. One area of improvement identified had been around the need for key project documentation to be produced.

The Chief Executive agreed with the recommendation and this would be considered moving forward for other projects.

Decision / Conclusion

The Audit Committee noted the report and the recommendation.

Orkney islands IJB – Governance Compliance with IJB legislation – AC1920-08

M Swann, presented the report noting that although the Audit had been undertaken in October and November 2018 it had been delayed due to the IJB Audit Committee timetable.

The audit had shown that the IJB had strong governance processes to provide effective oversight of IJB activities.

Decision / Conclusion

The Audit Committee noted the report.

Internal and External Audit Recommendations follow up report– AC1920-09

The Head of Finance presented the report on internal and external audit

recommendations. He advised that since the last reporting period there had been one recommendation carried forward around Board Strategic risk which would remain until complete.

Three recommendations had been added from the recently completed payroll and external communications audits.

Decision / Conclusion

The Committee noted the updates provided and approved the amended timescale.

Information Governance

Information Governance Chair's report

The Director of Public Health presented the chairs report in the absence of J Nicol advising that the Group had discussed eLearning Compliance with 70% of the substantive workforce having completed the Safe Information Handling module within the last 2 years.

Discussion had also been held around a current Information Governance incident which had been still under investigation at time of the meeting.

Several data sharing agreements had been discussed including the approval of the National Laboratory Programme and discussion around further work required on assurances with the already approved NHS Scotland national Workforce and Resources Shared Services Data Sharing Agreement.

The Chief Executive advised members that J Nicol had taken on the role of Senior Information Risk Owner (SIRO) and lead for Information Governance. The Board had also appointed to a new post of Corporate Records Manager and would be reviewing arrangements to confirm progress was as planned in this area.

Annual Accounts

Annual Accounts update

The Interim Director of Finance provided a verbal update on the Annual Accounts position advising members that the financial targets had been achieved subject to final audit approval. The Auditors were currently on site and reviewing accounts which would be presented at the meeting on the 4 June 2019.

Decision / Conclusion

The Audit Committee noted to update provided.

Fraud

No items this meeting

Risks

Risks Escalated from Governance Committees

No risks had been escalated from the governance committees.

Risk and Assurance forward Planning – AC1920-10

The Head of Transformational Change and Improvement provided members with the report, which had been presented to the NHS Orkney Board at their meeting on the 25 April 2019, for information.

The Chief Executive advised that it was appropriate to take to the Board first as this was an outcome and action point following the review of governance as part of the Blueprint for Good Governance

Decision / Conclusion

The Audit Committee noted the report and the planning going forward.

Committee Annual Reports 2018-19

Draft Audit Committee Annual Report – AC1920-11

The Chair presented the draft Audit Committee Annual Report for approval.

M Swann noted that the approval of the internal audit annual report should be included.

Decision / Conclusion

The Audit Committee approved the Annual Report for 2018/19, subject to the above addition.

Clinical and Care Governance Committee Annual Report – AC1920-12

The Committee had received the Clinical and Care Governance Committee Annual Report for discussion and consideration.

Decision / Conclusion

The Committee noted the Clinical and Care Governance Committee Annual Report.

Staff Governance Committee Annual Report – AC1920-13

The Committee had received the Staff Governance Committee Annual Report for discussion and consideration.

Decision / Conclusion

The Committee noted the Staff Governance Committee Annual Report.

Remuneration Committee Annual Report – AC1920-14

The Committee had received the Remuneration Committee Annual Report for discussion and consideration.

Decision / Conclusion

The Committee noted the Remuneration Committee Annual Report.

Committee Annual Work plans

The Committee had received the work plans for the following governance Committees of the Board for review and assurance.

- Finance and Performance
- Clinical and Care Governance
- Staff Governance
- Remuneration

Decision / Conclusion

The Committee noted the Governance Committee Work plans

Any Other Competent Business

No other competent business was raised.

Items for Information and Noting only

Effective Audit and Risk Committee training

The Chair provided a verbal update from the recent 'On Board' training that she had attended. She advised that there had been a wide range of participants at the event from a variety of organisations, the training considering how risk should guide the audit function and was beneficial in expanding her role as Audit Chair. Following the training she was confident that the NHS Orkney Audit Committee was functioning well and seeking appropriate assurance.

She noted that in some other areas the Audit Committee had been expanded to become the Audit and Risk Committee and suggested that could be a consideration going forward to provide more dedicated focus on risk discussions.

Press Release

Members had been provided with a press release providing information that Scott-Moncrieff would be changing their business structure and joining with Campbell Dallas to become part of the Cogital Group.

Assurance was given that this would not affect NHS Orkney going forward.

Audit Scotland Reports

The following Audit Scotland reports had been provided for information and noting:

- Technical Bulletin 2019/1

P Fraser noted that the reporting around the auditor opinion had been amended and this would be discussed at the June meeting.

Counter Fraud Services

There were no counter fraud updates for this meeting

Schedule of Meetings 2019/20

Members noted the schedule of meetings for 2019/20

Record of Attendance

Members noted the record of attendance.

Committee Evaluation

Members agreed it had been a positive meeting,

Not Protectively Marked

NHS Orkney Board – 26 June 2019

This report is for noting

Key Legislation

Lead Director Author	Gerry O'Brien, Chief Executive Emma West, Corporate Services Manager
Action Required	The Board is asked to: 1. <u>Note</u> the list of key documentation issued as attached at Appendix 1
Key Points	This report contains a list of documents issued by the Scottish Government so that members are kept up to date with new requirements, regulations. Legislation, standards and consultation documents.
Timing	The list of key documentation is presented to the Board at each meeting.

Key Documentation issued by Scottish Government Health and Social Care Directorates

Consultations, Legislation and other publications affecting the NHS in Scotland

Topic	Summary
National Health Service (Free Prescriptions and Charges for Drugs and Appliances) (Scotland) Amendment Regulations 2019 (SI 2019/145) http://www.legislation.gov.uk/ssi/2019/145/made	Reg.2 of these Regulations amends the National Health Service (Free Prescriptions and Charges for Drugs and Appliances) (Scotland) Regulations 2011 so that the charge to be made and recovered reflects the rate specified by the National Health Service (Charges for Drugs and Appliances) Regulations 2015 as in force at 1 April 2019. The 2015 Regulations were amended by the National Health Service (Charges for Drugs and Appliances) (Amendment) Regulations 2019 to make the following charges applicable from 1st April 2019: £9.00 per item, or £18.00 per pair, in relation to the supply of elastic hosiery; £9.00 in relation to the supply of any other appliance; and £9.00 in relation to the supply of each quantity of a drug.
Health and Care (Staffing) (Scotland) Bill: as amended at Stage 2 https://digitalpublications.parliament.scot/Committees/Report/DPLR/2019/3/27/Health-and-Care--Staffing---Scotland--Bill--as-amended-at-Stage-2#Introduction	A Delegated Powers and Law Reform Committee report on the Health and Care (Staffing) (Scotland) Bill 2018, as amended at stage 2, notes the Scottish Government honoured its commitment to make an amendment to require guidance under the new s.82A(3) of the Public Services Reform (Scotland) Act 2010. The Committee therefore reports that it is content with the delegated powers provisions contained in the Bill.
National Health Service (General Dental Services) (Scotland) Amendment Regulations 2019 (SSI SI 2019 174) https://www.legislation.gov.uk/ssi/2019/174/contents/made	These Regulations amend the National Health Service (General Dental Services) (Scotland) Regulations 2010, which set out arrangements which a health board may make with a dentist under the National Health Service (Scotland) Act 1978 s.25. Dental care provided under these s.25 arrangements is known as "general dental services". These Regulations amend

Topic	Summary
	the 2010 Regulations to allow health boards to give certain dentists an additional designation as a "domiciliary care dentist" alongside the dentist's existing work providing general dental services. The role of a domiciliary care dentist is to provide general dental services to care home residents.
Health and Care (Staffing) (Scotland) Bill 2018 (SP Bill 31) http://www.parliament.scot/parliamentarybusiness/Bills/108486.aspx	A Bill for an Act of the Scottish Parliament to make provision about staffing by the National Health Service and by providers of care services. Passed on 3 May 2019
Public Health Reform in Scotland: Briefing http://www.audit-scotland.gov.uk/report/public-health-reform-in-scotland	An Audit Scotland report gives an update on changes to the arrangements for public health in Scotland. To deliver the vision for public health reform, the Scottish Government and the Convention of Scottish Local Authorities have committed to: publishing agreed public health priorities for Scotland that are important public health concerns; establishing a new national public health body for Scotland bringing together expertise from NHS Health Scotland, Health Protection Scotland, and Information Services Division; and supporting different ways of working to develop a whole system approach to improve health and reduce health inequalities.
Consultation on Draft Whistleblowing Standards for the NHS in Scotland: Principles and Procedure https://www.spsso.org.uk/consultation-the-draft-national-whistleblowing-standards	A Scottish Public Services Ombudsman consultation proposes a set of draft National Whistleblowing Standards for NHS service providers. These set out the high level principles and a detailed procedure for investigating concerns, which all NHS organisations in Scotland will be required to meet and follow. Comments by 28 June 2019

Topic	Summary
Ultra-orphan medicines pathway: guidance https://www.gov.scot/publications/ultra-orphan-medicine-pathways-guidance/	Government guidance provides advice for health boards, clinicians, pharmacists, patient groups and pharmaceutical companies on the new approach to the assessment of medicines for very rare disease (ultra-orphan)

Circulars

details of all below circulars can be found at <http://www.publications.scot.nhs.uk/>

Reference:	Date of Issue:	Subject:
DL(2019)04	19.03.19	Partnership agreement between NHS Scotland Counter Fraud Services and NHS Boards and National Health Boards
PCA(P)(2019)06	20.03.19	Additional pharmaceutical services: gluten free food prescribable product list
PCS(AFC) 2019/03	22.03.19	Appraisal and Incremental Progression
PCS(AFC) 2019/02	22.03.19	Policy on management of sickness absence (promoting attendance)
PCA(D)(2019)05	22.03.19	General Dental Services: revised Scottish Dental Access Initiative
CMO(2019)04	27.03.19	National guidance for monitoring Lithium
PCS(MD)2019/01	27.03.19	Pay and conditions of service 2018-19: health board medical directors/former medical directors on protection
CCD 1/2019	29.03.19	The Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2019 and the extension of free personal care for adults under the age of 65
PCA(M)(2019)04	29.03.19	GP Contract
PCA(M)(2019)05	01.04.19	GP Minimum Earnings Expectations
PCA(M)(2019)06	04.04.19	The Primary Medical Services: directed enhanced services (Scotland) 2019: palliative care scheme

Reference:	Date of Issue:	Subject:
PCA(D)(2019)06	04.04.19	Dental Nurse survey
CCD 2/2019	05.04.19	Revised guidance on charging for residential accommodation
CMO(2019)05	17.04.19	Exceptional Referral Protocol (previously known as the Adult Exceptional Aesthetic Referral Protocol) – refresh April 2019
PCA(P)(2019)07	23.04.19	Pharmaceutical Services: amendments to the Drug Tariff in respect of remuneration arrangements and part 7 and part 11 discount clawback arrangements from 1 April 2019
PCA(M)(2019)07	23.04.19	Application form to register permanently with a general medical practice
PCS(ACF)2019/04	26.04.19	Time Off in Lieu (TOIL)
PCA(P)(2019)08	30.04.19	Pharmaceutical Services amendments to the drug tariff part 11 discount clawback scale
PCA(D)(2019)07	04.05.19	General Dental Services: revised Scottish Dental Access Initiative
DL(2019)06	07.05.19	Medical specialty training intake numbers for 2020
CMO(2019)06	10.05.19	Fraudulent Medical Registration: Ms Zholia Alemi
PCA(P)(2019)09	10.05.19	Community pharmacy access to medicines complete package and the British National Formulary (BNF)
PCA(P)(2019)10	14.05.19	Prescription stationery and addition of paramedics as NHS independent prescribers
PCS(AFC)2019/05	14.05.19	Organisational change pay protection
PCA(D)(2019)08 (memorandum)	20.05.19	Pay award: annual expenses exercise: Dentists/Dental Bodies corporate: National Health Service: General Dental Services
PCA(P)(2019)11	28.05.19	Community pharmacist supplementary and independent prescribing clinics: funding arrangements for 2019-20

Not Protectively Marked

NHS Orkney Board – 26 June 2019 Report Number: OHB1920-20 This report is for Noting Title of report Handover of The Balfour	
Lead Director Author	Gerry O'Brien, Chief Executive Ann McCarlie, Project Director
Action Required	The Board is asked to note the process undertaken for the Handover of The Balfour on 23 rd May 2019.
Key Points	<p>The Contractual Date for the Handover for the Handover of NHS Orkney's New Hospital and Healthcare Facility, the Balfour, was 22nd April 2019; the Actual Handover Date achieved was 23rd May 2019.</p> <p>Orkney Islands Council issued a completion certificate for the new building on 16th May 2019.</p> <p>After scrutinising the information, evidence and documentation submitted by Robertson and witnessing the demonstration of building systems against the contractual completion criteria the Independent Tester issued the Practical Completion Certificate for the building on 23rd May 2019.</p>
Timing	This paper has been requested for the Board meeting to be held on Wednesday 26 th June 2019.
Link to Corporate Objectives	<p>The Corporate Objectives this paper relates to are:-</p> <ul style="list-style-type: none"> • Improve the Health and Wellbeing of the people of Orkney and reduce health inequities • Pioneer ways of working to meet local health needs and reduce inequality <p>Improve the delivery of safe, effective and person centred care and our services.</p>
Contribution to the 2020 vision for Health and Social Care	The primary contribution of the New Hospital and Healthcare Project to the 2020 vision for Health and Social Care is that the new facility supports the provision integrated health and social care for the people of Orkney.
Benefit to Patients	Treatments/interventions will delivered in facilities that support newer models of care designed to deliver and support the right care, at the right time and in appropriate locations that are closer to people's homes.

Equality and Diversity	A copy of the full EQIA Impact Assessment for the NHS Orkney New Hospital and Healthcare Facilities Outline Business Case is attached.
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NHS Orkney Board

Insert Subject Handover of The Balfour

Insert Author Ann McCarlie

Section 1 Purpose

To inform Board members of the Handover process and update on contractual matters arising from the Handover.

Section 2 Executive Summary

The Contractual Date for the Handover for the Handover of NHS Orkney's New Hospital and Healthcare Facility, the Balfour, was 22nd April 2019; the Actual Handover Date achieved was 23rd May 2019.

Orkney Islands Council issued a completion certificate for the new building on 16th May 2019.

After scrutinising the information, evidence and documentation submitted by Robertson and witnessing the demonstration of building systems against the contractual completion criteria the Independent Tester issued the Practical Completion Certificate for the building on 23rd May 2019.

Section 3 Recommendations

The Board is asked to note the contents of this paper.

Section 4 Background

The New Hospital and Healthcare Facility Project reached Financial Close on 24th March 2017 when the Project Agreement was signed.

In line with Clause 17.5 of the Project Agreement Robertson Capital Group formally issued the contractual Notification of Completion Date letter, stating that the projected completion date (and Handover Date) for the New Hospital and Healthcare Facility as 22nd April 2019, the Actual Handover Date was 23rd May 2019.

Section 5 Discussion

Handover Process

Following a final inspection by Building Control, Orkney Islands Council issued a completion certificate for the new building on 16th May 2019. The issue of this certificate denoted that the building was no longer a construction site and could be occupied.

As per the Project Agreement the Independent Tester used the contractual completion criteria to assess the readiness of the building for Handover to the Board. This included the physical inspection of the building and its systems, including fire, water, ventilation, lighting and power. The Independent Tester witnessed tests demonstrating that systems were operating within required parameters and that these were being accurately monitored and recorded by the Building Management System (BMS). In addition he inspected validation and test certificates to ensure that they were correctly completed and signed by the appropriate parties.

The Independent Tester also reviewed the Snagging List which at the time of Handover comprised some 7,000 items (this has subsequently been reduced to approximately 2,500 and continues to reduce). These items were in the main minor paint work items and items of finishing. While the volume of these items at handover was greater than had been anticipated, on inspection of the building the Project Team and Project Director were of the view that this would not preclude Handover. Any snagging items not completed after the 20 day snagging period, which ends on 20th June, will be reported to the Robertson FM Helpdesk and be subject to the normal rectification periods and deduction regime under the Payment Mechanism.

In addition to the above there was a list of 29 contractual items that it was agreed between the parties would be completed post Handover. In the majority these comprised completion of repairs to non critical systems, surveys and completion of external works including grass seeding and the erection of cycle and bus shelters.

After scrutinising the information above and the evidence and documentation submitted by Robertson to demonstrate compliance with the contractual completion criteria the Independent Tester issued the Practical Completion Certificate for the building on 23rd May 2019

Post Handover

Of the 29 items on the Post Handover List, 5 remained outstanding as at 11th June those 5 are:-

- Permanent repair to one heat pump (a temporary repair, signed off by the Independent Tester, is in place and the Heat Pump is functional).
- Mobile telephony survey (testing to date indicates no black spots for Vodafone, the survey will establish any areas which may require boosting to improve coverage).
- Wi-Fi survey (testing to date indicates there are no areas where Wi-Fi is not accessible; the survey will establish where the signal may be weaker than desired so that it can be boosted).

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- Installation of the exterior buggy and cycle shelters and 2 bus shelters (1 on site and 1 on New Scapa Road).

All the above items have end dates by the end of June 2019.

Section 6 Consultation

The following have been consulted in the preparation of this paper:-

Chief Executive, New Hospital and Healthcare, Project Sponsor.

New Hospital and Healthcare Project Manager and Clinical Programme Lead.

New Hospital and Healthcare Project Technical Lead, Head of Hospital and Support Services.

New Hospital and Healthcare Project Team.

The Independent Tester

Robertson Construction

NHS ORKNEY BOARD

Timetable for Submitting Agenda Items and Papers – 2019/2020

Initial Agenda Planning Meeting¹ with Chair, Chief Executive and Corporate Services Manager ² 12 noon <i>< 1 week after previous meeting ></i>	Final Agenda Planning Meeting with Chair, Chief Executive and Corporate Services Manager 12 noon <i><4 weeks before Date of Meeting></i>	Papers in final form³ to be with Corporate Services Manager by 1700 hrs on <i>< 2 weeks before Date of Meeting ></i>	Agenda & Papers to be issued no later than 1600 hrs on <i><1 week before Date of Meeting></i>	Date of Meeting held in the Saltire Room Balfour Hospital (unless otherwise notified) at 10:00 am
7 March 2019	28 March 2019	11 April 2019	18 April 2019	25 April 2019
2 May 2019	28 May 2019	11 June 2019	18 June 2019	26 June 2019 (Annual Accounts)
2 July 2019	25 July 2019	8 August 2019	15 August 2019	22 August 2019
29 August 2019	26 September 2019	10 October 2019	17 October 2019	24 October 2019
31 October 2019	21 November 2019	5 December 2019	12 December 2019	19 December 2019
6 January 2020	30 January 2020	13 February 2020	20 February 2020	27 February 2020

Chair: Ian Kinniburgh
 Vice Chair: David Drever
 Lead Officer: Gerry O'Brien

Corporate Services Manager: Emma West

¹ draft minute of previous meeting, action log and business programme to be available

² draft agenda, minute and action log issued to Directors following meeting

³ Any late papers will be placed on the agenda of the following meeting unless the Chair determines that they are urgent

NHS Orkney - Board - Attendance Record - Year 1 April 2019 to 31 March 2020:

Name:	Position:	25 April 2019						
Members:								
	Non-Executive Board Members:							
I Kinniburgh	Chair	Attending						
D Drever	Vice Chair	Attending						
D Campbell	Non Executive Board member	Attending						
C Evans	Non Executive board member	Attending						
I Grieve	Non Executive Board member	Apologies						
S Johnston	Area Clinical Forum Chair	Apologies						
F MacKellar	Employee Director	Attending						
M McEwen	Non Executive Board member	Attending						
J Stockan	Non Executive Board member	Attending						
	Executive Board Members:							
G O'Brien	Chief Executive	Attending						
D McArthur	Director of Nursing, Midwifery and AHP	Attending						
M Roos	Medical Director	Attending						
L Wilson	Director of Public Health	Apologies						
	In Attendance:							
M Doyle	Interim Director of Finance	Attending						
A Ingram	Workforce Director	Apologies						
S Shaw	Chief Officer - IJB	Attending						
E West	Corporate Services Manager	Attending						

13.6

Senior Management Team								
C Bichan	Head of Transformational Change and Improvement	Attending						
A Catto	Human Resources Manager	Attending						
M Colquhoun	Head of Hospital and Support Services	Attending						
J Nicol	Head of Corporate Services	Apologies						
Attending for specific items								