



STANDING FINANCIAL INSTRUCTIONS

August 2021

(Amended for Covid arrangements – April 2020)

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1. INTRODUCTION

1.1 Background

These Standing Financial Instructions are issued in accordance with the financial directions issued by the Scottish Government Health and Social Care Directorate under the provisions contained in the Regulation 4 of the NHS (Financial Provisions) (Scotland) Regulations, 1974 together with the subsequent guidance and requirements contained in NHS Circular No. 1974 (GEN) 88 and Annex, and NHS Circular MEL (1994) 80. Their purpose is to provide a sound basis for the control of NHS EDUCATION FOR SCOTLAND's (NES) financial affairs and shall have the effect as if incorporated in the Standing Orders of NHS EDUCATION FOR SCOTLAND (NES).

1.2 The purpose of such a scheme of control is:

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

COMPLIANCE

1.3 All Board Members, officials, staff and agents of NES shall observe these Standing Financial Instructions. The Chief Executive, Directors and Members of the Executive Team shall be responsible for ensuring that staff and others within the organisation are aware of, and adhere to, the Standing Financial Instructions.

- 1.4 Failure to comply with these Standing Financial Instructions shall be regarded as a disciplinary matter.
- 1.5 Where these Standing Financial Instructions place a duty upon a person, this may be delegated to another person, subject to the Scheme of Delegation contained within the Standing orders of NES.
- 1.6 All references in these instructions to the masculine gender shall be read as equally applicable to the feminine gender.
- 1.7 Nothing in these Standing Financial Instructions shall be held to override any legal requirement or Ministerial Direction placed upon NES, its members or officers.

2. RESPONSIBILITIES OF THE CHIEF EXECUTIVE AS ACCOUNTABLE OFFICER

- 2.1 Under the terms of Section 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer (PAO) for the Scottish Government has designated the Chief Executive of NES as its Accountable Officer.
- 2.2 Accountable Officers must comply with the terms of the Guidance to Accountable Officers and any updates issued to them from time to time by the Scottish Government Health and Social Care Directorate.

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 for NES.

The Accountable Officer must ensure that the NES Board, the Executive Team, and all other relevant decision making bodies as may be constituted from time to time, have drawn to their attention and take 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 The Accountable Officer has a personal duty of signing the Annual Accounts of NES for which they have responsibility. Consequently, they may also have the further duty of being a witness before the Public Audit and Post-legislative Scrutiny 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.

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

2.4 SPECIFIC RESPONSIBILITIES

The Accountable Officer must:

- 2.4.1 Ensure that proper financial systems are in place and applied, and that procedures and controls are reviewed annually to ensure their continuing relevance and reliability, especially at times of major changes;
- 2.4.2 Sign the Accounts assigned to them, and in doing so accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by Scottish Ministers.
- 2.4.3 Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal checks 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;
- 2.4.4 Ensure that the public funds for which they are responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official;
- 2.4.5 Ensure that the assets for which they are responsible, including land, buildings, fixtures, fittings, equipment and other assets are properly managed and safeguarded.
- 2.4.6 Ensure that, in consideration of policy proposals relating to expenditure, or income, for which they have responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account.
- 2.4.7 Ensure that any delegation of authority is accompanied by clear lines of control and accountability, together with reporting arrangements.

- 2.4.8 Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control; systems have been put in place;
- 2.4.9 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;
- 2.4.10 Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard to economy, efficiency and effectiveness, and in a manner which encourages the observance of equal opportunities requirements;
- 2.4.11 Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs or performance in relation to those objectives;
- 2.4.12 Ensure that managers at all levels are assigned well-defined responsibilities for making the best use of resources including a critical scrutiny of output and value for money;
- 2.4.13 Ensure that managers at all levels have the information, training and access to the expert advice which they need to exercise their responsibilities effectively.
- 2.4.14 Make judgements and estimates on a reasonable basis and prepare the accounts on a going concern basis.

2.5 REGULARITY AND PROPRIETY OF EXPENDITURE

- 2.5.1 The Accountable Officer has a particular responsibility for ensuring compliance with parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in Budget Acts (or otherwise authorised by section 65 of the Scotland Act 1998). Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's accounts. In the case of expenditure approved under the Budget Act, any payments must be within the scope and amount specified in that act.
- 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 to avoid actual, potential, or perceived conflicts

of interest when employing management consultants and their staff.

2.6 ADVICE TO THE NHS EDUCATION BOARD, AND OTHER DECISION-MAKING BODIES

- 2.6.1 The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board, the Executive team and other decision-making bodies on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness
- 2.6.2 If the Accountable Officer considers that, despite his/her advice to the contrary, the Board or other decision making body is contemplating a course of action which he/she considers would infringe the requirements of regularity or propriety, and that, as a result, he/she would be required to take action that is inconsistent with the proper performance of their duties as Accountable Officer, he/she should, inform the Scottish Government Health and Social Care Directorate's Accountable Officer, so that the Department, if it considers it appropriate, can intervene, and inform Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing his/her objection to the proposal and the reasons for the objection. If his/her advice is overruled, and the Accountable Officer does not feel that he/she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, as representing value for money, he/she should obtain written instructions from the Board and send a copy of his/her request for instruction and the instruction itself as soon as possible to the External auditor and the Auditor General for Scotland.
- 2.6.3 The Accountable Officer must also ensure that their responsibilities as Accountable Officer do not conflict with those as a Board member. They should vote against any action that they cannot endorse as Accountable Officer, and in the absence of a vote, ensure that their opposition as a Board member, as well as Accountable Officer is clearly recorded.

2.7 ABSENCE OF ACCOUNTABLE OFFICER

- 2.7.1 The Accountable Officer should ensure that they are 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 their behalf if required.

- 2.7.2 In the event that the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more, NES will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.
- 2.7.3 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. RESPONSIBILITIES OF THE BOARD

3.1 The Board has key functions for which it is held accountable by Scottish Government Health and Social Care Directorate on behalf of the Scottish Ministers:

- To set strategic direction of the organisation within the overall policies and priorities of the Government and NHSScotland, define its annual and longer-term objectives and agree plans to achieve them;
- To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
- To ensure that there is effective dialogue within the organisation and between the organisation and key stakeholders on its plans and performance and that these are responsive to the stakeholders needs
- To ensure effective financial stewardship through value for money, financial control and financial planning and strategy;
- To ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; and
- To appoint, appraise and remunerate senior executives.

3.2 In fulfilling these functions, the Board should:

- Specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully understand its responsibilities;
- Be clear what decisions and information are appropriate to the Board and draw up standing orders, a schedule of decisions reserved to the Board and standing financial instructions to reflect this;

- Establish performance and quality targets that maintain the effective use of resources and provide for money;
- Ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior officers for the main programmes of action and for performances against programmes to be monitored and senior officers held to account;
- Establish committees, including audit and remuneration committees, on the basis of formally agreed terms of reference which set the membership of the committees, the limit to their powers, and the arrangements for reporting back to the Board; and
- Act within the statutory, financial and other constraints.

4. RESPONSIBILITIES OF SENIOR MANAGERS AND ALL OFFICERS IN NES

- 4.1 The Chief Executive shall have delegated authority from the NES Board to secure the efficient operation and management of the full range of NES activities in accordance with the current policies of NES and within the limits of the resources available.
- 4.2 Directors of NES have collective responsibility to exercise financial supervision, control and monitoring by requiring the submission and approval of budgets within approved allocations, by defining and approving essential features of financial arrangements in respect of important procedures and financial systems, including the need to obtain value for money, and by defining specific responsibilities placed on officers.
- 4.3 All staff individually and collectively are responsible for the security of NES's property, for avoiding loss, for economy and efficiency in the use of resources, for identifying and managing risk, and for complying with the requirement of Standing Orders, Standing Financial Instructions and other financial procedures which the Director of Finance may issue.
- 4.4 It shall be the duty of the Chief Executive to ensure that arrangements are made for existing staff and all new employees to be notified of their responsibilities within these instructions.
- 4.5 The Chief Executive shall be responsible for the implementation of NES's financial policies and for ensuring whatever corrective action is necessary

to further these policies after taking account of advice given by the Director of Finance on all such matters.

- 4.6 Without prejudice to the functions of any other officers of NES, the duties of the Director of Finance shall include the provision of financial information to NES and its officers; the design, implementation and supervision of systems of financial control and the preparation and maintenance of such accounts, certificates, estimates, records and reports as NES may require for the purpose of carrying out its statutory duties and responsibilities.
- 4.7 The Director of Finance shall prepare, document and maintain detailed financial procedures and systems incorporating the principles of separation of duties and internal control to supplement these instructions. The Director of Finance shall require any officer who carries out a financial function to ensure that the form in which the records are kept and the manner in which the officer discharges their duties shall be to the satisfaction of the Director of Finance.
- 4.8 Where a fundamental organisational change occurs the Director of Finance should initiate a review of the relevant Standing Financial Instructions to ensure that if any amendments are required these are implemented timeously. This review would then be subject to the approval of the Board.
- 4.9 Wherever the titles Chief Executive, Director of Finance or other nominated officer is used in these instructions, it shall be deemed to include such officers who have been duly authorised to represent them.

5. REVENUE RESOURCE LIMIT

- 5.1 NES, as a Special Health Board, is required by statutory provision made under Section 85 of the National Health Service (Scotland) Act 1978, as amended by the Health Services Act 1980, to perform its functions within the total of funds allocated by the Scottish Government Health and Social Care Directorate.

The financial measures which NES must operate within are the:

- Revenue Resource Limit (RRL)
- Capital Resource Limit (CRL)
- Cash Requirement

- 5.2 The Director of Finance shall ensure that all income and expenditure is identified correctly and accounted for in the relevant financial year.

- 5.3 The Director of Finance shall, on behalf of the Chief Executive, request an appropriate level of Capital resource from the Scottish Government Health and Social Care Directorate. This may be in the format of a funding transfer from Revenue to Capital.
- 5.4 The Director of Finance shall ensure that amounts drawn for NES against the agreed cash limit are required for approved expenditure only.
- 5.5 The Director of Finance will ensure that the cash balances held by NES are not excessive but are sufficient to meet immediate liabilities. The Director of Finance shall therefore ensure that due receipts are collected promptly and shall pay invoices in accordance with targets set by the Scottish Government Health and Social Care Directorate. Payments of due debts shall not be delayed artificially to a following financial year where the expenditure is properly attributable to the current year.
- 5.6 In submitting the final requisition for a fiscal year, the Director of Finance shall ensure that sufficient resources are available to meet financial commitments at the end of the year. The balances of accounts holding public funds will be maintained at the lowest practicable levels.
- 5.7 The Director of Finance will review the RRL/CRL and Cash positions regularly to ensure that NES remain on target to meet its financial objectives.
- 5.8 The Director of Finance shall provide monthly reports to the Scottish Government Health and Social Care Directorate in the form requested.

6. PLANNING AND BUDGETING

- 6.1 The Chief Executive shall carry out their duties within the total of funds allocated by Scottish Ministers and shall not exceed the budgetary limits set for NES. All plans and financial approvals and control systems shall be designed to meet this obligation.
- 6.2 The Chief Executive, with the assistance of the Director of Planning and Corporate Resources, shall compile and submit to NES Board and the Scottish Government Health and Social Care Directorate, an Annual Operating Plan in accordance with the guidance issued by the Scottish Government Health and Social Care Directorate.
- 6.3 Officers shall provide the Director of Finance with all financial, statistical and other relevant information as necessary for the compilation of such estimates and forecasts that the Director of Finance may need to fulfil the

requirements of NES and the Scottish Government Health and Social Care Directorate.

- 6.4 The Director of Finance shall, on behalf of the Chief Executive, prepare and submit budgets (by Directorate and category, within the limits of available funds) to NES Board for its approval.
- 6.5 The Director of Finance shall provide periodic reports to the Chief Executive and NES Board, comparing actual expenditure and income with approved budgets. The Director of Finance shall report to NES Board any significant in year variance from the financial plan and shall advise the Board on action to be taken.
- 6.6 The Director of Finance shall also compile and submit to the Board such financial estimates and forecasts as may be required from time to time. As a consequence, the Director of Finance shall have a right of access to all budget holders on budgetary related matters.
- 6.7 The Director of Finance shall ensure that a system of budgetary control is maintained and that all officers whom NES may empower to engage staff or otherwise incur expenditure, collect or generate income, shall comply with the requirements of those systems. The systems of budgetary control shall incorporate the reporting of, and investigation into, expenditure variances from budget.
- 6.8 The Chief Executive may delegate responsibility for budgets to officers to permit the performance of defined activities. The terms of delegation shall include a clear definition of individual and group responsibilities for control of expenditure, exercise of virement, achievement of planned levels of service and the provision of regular reports upon the discharge of these delegated functions to the Chief Executive. The Director of Finance will be responsible for providing budgetary information and advice to the Chief Executive and budget holders to enable the Chief Executive and other officers to carry out their budgetary responsibilities.
- 6.9 In carrying out their duties:
 - the Chief Executive shall not exceed the budgetary or virement limits set by NES Board;
 - officers designated as budget holders shall not exceed the budgetary or virement limits set for them by the Chief Executive;
 - the Chief Executive may vary the budgetary limit of an officer within the Chief Executive's own budgetary limit.
- 6.10 Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance, budgets shall be used only for the purpose for which they were provided and any budgeted funds not required for their

designated purpose shall revert to the immediate control of the Chief Executive, unless covered by delegated powers of virement, see Section 19.

- 6.11 Expenditure, for which no provision has been made in an approved budget and not subject to funding under the delegated powers of virement, shall only be incurred after authorisation by the Chief Executive or NES Board, as appropriate.
- 6.12 The Director of Finance shall 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 shall advise on the financial and economic aspects of future plans and projects.

For information relating to authorisation limits and budget virements, see Section 19.

7. ANNUAL ACCOUNTS AND REPORTS

- 7.1 NES is required under the terms of Section 86(3) of the National Health Services (Scotland) Act 1978 and the Public Finance and Accountability (Scotland) Act 2000 to prepare and transmit Annual Accounts to Scottish Ministers.
- 7.2 Scottish Ministers have issued an Accounts Direction in exercise of the powers conferred by Section 86(1) of the National Health Service (Scotland) Act 1978 which contains provisions covering the basis of preparation and the form of accounts. NES shall comply with all these provisions.

Subject to the foregoing requirement, the Annual Accounts shall also contain any disclosure and accounting and requirements which Scottish Ministers may issue from time to time.

- 7.3 The Director of Finance shall maintain proper accounting records which allow the timeous preparation of Annual Accounts, in accordance with the timetable set by the Scottish Government Health and Social Care Directorate, and which give a true and fair view of NES and its expenditure and income for the period in question.
- 7.4 Annual Accounts, Supplementary Notes and other financial returns required by the Scottish Government Health and Social Care Directorate shall be prepared by NES in accordance with the guidance and the timetables contained within the NHS Board Accounts Manual for the

Annual Report and Accounts of NHS Boards as amended from time to time.

- 7.5 Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland is responsible for the appointment of the External Auditors of NES.
- 7.6 The Director of Finance shall 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 the Scottish Government Health and Social Care Directorate. This timetable shall be consistent with the requirements of the Scottish Government Health and Social Care Directorate.
- 7.7 The Chief Executive shall be responsible for preparing a Governance Statement as parts of their duties as an Accountable Officer, and in so doing shall seek appropriate assurances, including that of the Chief Internal Auditor, with regard the adequacy of internal control throughout the organisation, including the performance of the non-executive committees.
- 7.8 The Annual Accounts of NES shall be reviewed by the Audit Committee, which has the responsibility of recommending adoption of the accounts by the NES Board. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, Annual Accounts may not be placed in the public domain, prior to them being formally laid before Parliament.
- 7.9 Following the formal approval of the motion to adopt the accounts by NES Board, the Annual Accounts and relevant certificates shall be duly signed on behalf of the Board and submitted to the External Auditor for completion of the relevant audit certificates.
- 7.10 Signed sets of NES's Annual Accounts shall then be submitted by the External Auditor to the Scottish Government Health and Social Care Directorate, and to the Auditor General in the required format
- 7.11 The Chief Executive shall arrange for the production and circulation of an Annual Report for NES in such form as may be determined by the Scottish Government Health and Social Care Directorate. The Annual Report, together with an audited financial statement, shall be presented at a public meeting which must take place no later than six months after the relevant accounting date, subject to confirmation that they have been formally laid before Parliament.

8. BANKING ARRANGEMENTS AND OPERATION

- 8.1 All arrangements with NES's bankers will be made in accordance with directions and advice from the Scottish Government Health and Social Care Directorate.
- 8.2 NES is obliged to comply with instructions from Scottish Ministers and Her Majesty's Treasury in relation to the operation of bank accounts. All bank accounts will only be opened on the instruction of the Director of Finance. The Scottish Government commercial banking arrangements provide for public bodies to hold a commercial bank account with the Royal Bank of Scotland. During financial year 2015/16, HM Treasury implemented new arrangements for the Government Banking Service (GBS). Previously, Public Sector organisations were obliged to use both Citibank and RBS, however under the revised arrangements, all NHSScotland bodies are obliged to use accounts provided by NatWest, part of RBS Group As at 31st December 2018 the following bank accounts were in operation: -

Bank	Account Description	Services Provided
Royal Bank of Scotland	Commercial Account under the terms of the Scottish Government contract for commercial Bank Accounts	BACS sponsorship; BACS rejects and recalls; Income receipts from Portal; and Local Pay-Ins
NatWest	Account provided under existing GBS contract	Payable Orders (cheques); BACS payments; Receipt of Income from Debtors; Receipts and payments from/To Other Public Sector organisations

Any new accounts or changes to existing arrangements for the accounts must be approved by the Director of Finance.

- 8.3 Payable Orders are printed with the signature of the Assistant Paymaster General added at the time of processing.
- 8.4 All other payments are authorised electronically on the above accounts. For payments generated from the Finance System, only one authoriser is required to approve payments using secure on-line access. However, manual payments which exceed £50,000 require on-line approval from

two authorisers. The Director of Finance will specify all officers approved to authorise payments and BACS files

- 8.5 The signatory(ies) will satisfy themselves that payments are correctly substantiated and are in respect of sums properly payable by NES.
- 8.6 All Payable Orders (cheques) (which shall be crossed with “Not Negotiable – Account Payee Only”) shall be treated as controlled stationery in the charge of a duly designated officer controlling their issue.

The Director of Finance is responsible for ensuring the system of control of access to and authorisation of payments from all bank accounts is robust and administered appropriately using the systems provided by the banks. This system of administration will cover creation and prompt deletion of users as necessary to ensure the security of access and efficient management of the accounts.

- 8.7 The Director of Finance shall ensure that NES does not, without the approval of Scottish Government given as appropriate with the consent of Treasury, borrow or lend money nor give any guarantee, indemnity, nor letter of comfort

9. FINANCIAL ARRANGEMENTS

- 9.1 The Director of Finance shall ensure that detailed written procedures relating to financial systems are designed, including specific reference to duties of officers under these systems and that these systems, incorporating internal control principles, duly approved by the Director of Finance, are maintained, reviewed annually and updated as necessary.
- 9.2 Any authorisation for expenditure outside of the approved plans, policies or regulations and for which no budget has been provided under the powers of virement must have the written approval of the Director of Finance before payment.

SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS:

- 9.3 All means of officially acknowledging or recording amounts received or receivable shall be in the form approved by the Director of Finance. These stationery items shall be subject to the same precautions as are applied to cash, in accordance with the requirements of the Director of Finance.

- 9.4 All officers, whose duty it is to collect or hold cash, shall be provided with a safe or with a lockable cash box which will normally be deposited in a safe or other secure location. The officer concerned shall hold only one key with one duplicate being held by another officer authorised by the Director of Finance and suitable receipts obtained. The loss of any key shall be reported immediately to the Head of Finance. The Director of Finance shall arrange for all new keys to be despatched directly to them from the manufacturers and shall be responsible for maintaining register of authorised holders of safe keys.
- 9.5 The safe key holder shall not accept unofficial funds for depositing in their safe unless deposits are in sealed envelopes or locked containers. It shall be made clear to the depositor that the NES Board is not held liable for any loss and written indemnity must be obtained from the organisation or individual absolving NES from responsibility for any loss. During the absence of the holder of a safe or cash box key, the officer who acts in their place shall be subject to the same controls as the normal holder of the key. There shall be written discharge for the safe/cash box contents on the transfer of responsibilities and the discharge document must be retained for audit inspection.
- 9.6 All cash, cheques, postal orders and other forms of payment shall normally be received by more than one officer and shall be entered in an approved form of register which should be signed by both. All cheques and postal orders shall be crossed immediately "Not Negotiable". The remittances shall be passed to the Operational Assistant from whom a signature shall be obtained.
- 9.7 Any cash collected from fund raising events will be counted by two staff members in the Directorate where the funds have been collected. If passing to Finance for onward payment to the charity, the directorate team must complete a form with the breakdown of cash, signed by the two staff members before passing the form and cash to Central Finance. Finance will bank the income and issue a cheque to the Charity. Cash will be banked by finance, no later than the following working day. Any cash held overnight will be kept in the safe.
- 9.8 The opening of mail and the counting and recording of any takings shall be undertaken by two officers together.
- 9.9 Official monies shall not under any circumstances be used for the encashment of private cheques.

- 9.10 All cheques, postal orders, cash etc. shall be banked intact promptly in accordance with the approved procedures of the Director of Finance. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 9.11 All unused payable orders shall be kept in the safe.
- 9.12 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedure for reporting losses.
- 9.13 Petty cash reconciliations shall be prepared prior to requesting cash reimbursement for expenses.

SECURITY OF PHYSICAL ASSETS

- 9.14 Each employee has a responsibility to exercise a duty of care over the property of NES and it shall be the responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Persistent breach of agreed security practices shall be reported to the Chief Executive.
- 9.15 Wherever practicable, items of equipment shall be marked as NES property. Items to be controlled shall be recorded and updated in an appropriate register including all capital assets
- 9.16 Nominated officer(s) designated by the Chief Executive shall maintain an up-to-date asset register of those items which are capital by definition. Items falling into the following categories are capital by definition:
- Property, plant and equipment assets which are capable of being used for a period which could exceed one year and have a cost equal to or greater than £5,000.
 - In cases where a new development would face an exceptional write off of items of equipment costing individually less than £5,000 the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
 - Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.
- 9.17 The items on the register shall be physically checked at least annually by the designated officer and all discrepancies shall be notified in writing to

the Director of Finance, who may also undertake such other independent checks as they consider necessary. On the closure of premises, a check shall be carried out and a designated officer shall certify a list of items held showing eventual disposal.

- 9.18 A separate register of items of a specialist nature which do not meet the formal definition of capital assets e.g. Laptops, PCs, mobile phones shall be maintained by nominated officers. The Director of Finance shall approve the form of all registers and the methods of updating.
- 9.19 Any damage to premises, vehicles and equipment, or any loss of equipment or supplies shall be reported by staff in accordance with the agreed procedure for reporting losses (Also see Losses section).
- 9.20 Registers shall also be maintained by responsible officers and where practicable receipts retained for:
- Equipment on loan; and
 - Leased equipment;

Equipment on loan to other public bodies during the Covid Pandemic will be approved by the DoF and the Director of Digital.

- 9.21 The Chief Executive will ensure that NES does not dispose of any assets, unless Scottish Government otherwise agrees, except at current market values and in accordance with the practices applicable to assets purchased out of public funds as laid down in Government Accounting.
- 9.22 The Chief Executive shall ensure that assets having a net book value or realisable value, whichever is the higher, in excess of £50,000, are not disposed of without prior Scottish Government approval.

INCOME

- 9.23 The Director of Finance shall be responsible for designing and ensuring maintenance of systems for the proper recording and collection of all monies due.
- 9.24 All officers shall inform the Director of Finance of monies due to NES arising from transactions they initiate, including all contracts, leases, tenancy agreement and any other transactions in order that an official invoice is raised to the customers.
- 9.25 The Director of Finance shall take appropriate recovery action on all outstanding debts including the establishment of procedures for the write

off of debts after all appropriate recoverable steps have been taken to secure payment (see Losses section).

- 9.26 In relation to Income Generation Schemes, the Director of Finance shall ensure that there are systems in place to identify all costs and services attributed to each scheme before implementation and such schemes should only proceed on the basis of providing income in excess of the cost of the scheme.

All fees and charges must be approved in advance by the Director of Finance.

All fees and charges must be reviewed annually by the Budget Holder to ensure they are still appropriate and agreed by the Director of Finance.

PAYMENT OF ACCOUNTS

- 9.27 The Director of Finance shall ensure that up to date lists of authorised signatories are maintained and reviewed regularly, at least annually.
- 9.28 The Director of Finance shall be responsible for the payment of all accounts, invoices and contract claims in accordance with contractual terms and/or targets set by the Scottish Government Health and Social Care Directorate. Payment systems shall be designed to avoid payments of interest arising from non-compliance with the Late Payment of Commercial Debts (Interest) Act 1998.
- 9.29 All officers shall inform the Director of Finance promptly of all monies payable by NES arising from any transactions related to leases or tenancy agreements. All expenditure should be consistent with approved spend from the budget process. Suppliers shall be informed to send all invoices to the Finance Department for processing, quoting a valid Purchase Order number where appropriate. Is this still the case?
- 9.30 All other requests for payment not covered by a Purchase order, should, wherever possible, have relevant invoices or contract payment vouchers attached and shall be authorised by an approved officer from a list of authorised signatories.
- 9.31 The Director of Finance shall be responsible for designing and maintaining a system for the verification, recording and payment of all amounts payable. The system shall provide for certification that:
- Goods have been duly received, examined, are in accordance with specification and order, are satisfactory and that prices are correct;

- Work done or services rendered have been satisfactorily carried out in accordance with the order; that were applicable the materials used were of the requisite standard and that the charges are correct;
- In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, that the rates of labour are in accordance with the appropriate rates, that the materials have been checked as regards quantity, quality and price and that the charges for the use of the vehicles, plant and machinery have been examined;
- Where appropriate, the expenditure is in accordance with regulations and that all necessary Board or appropriate officer authorisations have been obtained;
- The account/claim is arithmetically correct;
- The account/claim is in order for payment;
- VAT has been recovered as appropriate;
- Payments are processed timeously in order to secure discounts available; and
- A timetable and system for submission of accounts for payment is maintained to ensure prompt payment to suppliers

9.32 Budget Holders shall ensure, before a requisition for goods and service is placed, that the purchase has been properly considered and forms part of the department's allocations, agreed business plans, or other known and specific funds available to the department.

9.33 The Director of Finance shall ensure that payment for goods and services is only made once the goods and services are received other than under the terms of a specific contractual agreement. (e.g. Venue Hire where a deposit may be required)

9.34 Where an officer certifying accounts or claims relies upon other officers to do preliminary checking, he/she shall, wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed order and negotiated prices and terms. Budget Managers must therefore 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

No single person should undertake all three functions. The Director of Finance must approve the list of officers authorised to certify invoices, non-invoice payments and payroll schedules, including where required

by the Director of Finance, financial limits to their authority. The Director of Finance will maintain details, together with their specimen signatures.

- 9.35 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 shall make payment on receipt of certificate from the appropriate technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractors account shall be subject to such financial examination by the Director of Finance and such general examination by a works officer as may be considered necessary, before the person responsible for the contract issues the final certificate. To assist financial control, a contracts register should be created.
- 9.36 The Director of Finance may authorise petty cash as required. Individual payments must be restricted to the amounts authorised by the Director of Finance and appropriate vouchers obtained and retained in accordance with the policy on culling and retention of documents.
- 9.37 When commissioning contractors to carry out work on behalf of NES, the responsible officer must check the employee/employer status of the individual concerned. Claims of self-employed status on behalf of the individual need to be verified for every project undertaken. The HMRC Employment Status Indicator tool should be completed by the officer commissioning the individual (<http://www.hmrc.gov.uk/calcs/esi.htm>). The result should be kept by the officer to produce in the event of an audit from HMRC. If the result confirms that there is no employee/ employer relationship, then the contractor should be asked to provide an invoice for their fees. However, if the result indicates that there is a relationship then the contractor should be asked to complete a fee form and will be paid through the NES payroll.
- 9.38 Advance payment for supplies, equipment or services out with normal business practices shall not be normally permitted. Advance payment in all exceptional circumstances shall be subject to the express approval of the Director of Finance
- 9.39 The budget holder is responsible for ensuring that all items due under a payment in advance contract are received and they must inform the Director of Finance immediately problems are encountered.
- 9.40 NHSScotland operates a "Payment on Behalf" process which eliminates the need for the transfer of cash between boards for the payment of services. The process removes the need for boards to raise Purchase Orders and invoices to one another, and instead recognises the

payments as a non-cash transfer. The system is managed by NHS National Services Scotland on behalf of Scottish Government and the transfers are processed monthly. Where payments to other Boards are managed through this process, the Director of Finance is responsible for ensuring that there is an authorisation process in place which assures that services have been received and payment authorised prior to the transfer being made. The Head of Finance/Deputy Director of Finance has delegated authority to approve the Transfer request to NSS on behalf of the Director of Finance.

- 9.41 The issue of NHS Credit/Purchasing cards will be managed by the Director of Finance who will delegate authority to the Head of Finance to amend credit/purchasing card limits as appropriate during the COVID-19 pandemic to ensure that suppliers are paid timeously

PAYMENT OF STAFF

- 9.42 Staff may be engaged or re-graded only by authorised officers within the limit of the approved budget and establishment when agreed by the Chief Executive or other authorised officer unless following successful grading appeals. The Remuneration Committee shall approve any changes to the remuneration, allowances and conditions of service of the Chief Executive and other Directors in accordance with the Code of Corporate Governance, subject to advice from the Director of Workforce
- 9.43 Each employee shall be issued with a contract which shall comply with current employment legislation and be in a form approved by NES.
- 9.44 Completion and signing of engagement forms and such other documents necessary for the payment of staff as they may require shall be co-ordinated by appropriate HR Officers and approved forms forwarded, as close to the new member of staff commencing with NES, to NSS Payroll and copied to the Operational Advisor within the Finance Department.
- 9.45 A termination of employment form and such other documents as may be required, for payment purposes, shall be completed, signed and approved through the appropriate Line Manager and HR Officers and submitted to NSS Payroll and copied to the Operational Advisor within the Finance Department. Where an employee fails to report for duty in circumstances which they have left without notice and this has been confirmed, NSS Payroll and Payroll Liaison Officer shall be informed immediately.

- 9.46 Completion and signing of notification of change forms and such other documents necessary for the payment of staff following changes in employment status or terms and conditions of service shall be co-ordinated between the appropriate HR Officers and approved forms forwarded, as close to the effective date of change to NSS Payroll and copied to the Payroll Liaison Officer within the Finance Department.
- 9.47 Where the personnel and payroll systems are connected by an electronic interface the requirement for contract/engagement forms, termination of employment forms and notification of change forms to be sent to the Head of Payroll Services may be altered to allow for such information to be transmitted by electronic means providing always that appropriate procedures for such transmissions are agreed by the Director of Finance.
- 9.48 All time-records, staff returns, and other pay records and notifications shall be in a form approved by the Director of Finance and shall be certified and submitted in accordance with their instructions. Where this information is transmitted by electronic means, appropriate procedures covering such transmissions require to be agreed with him/her.
- 9.49 Subject to the limits laid down in the Scheme of Delegation, the Remuneration Committee shall review and approve submissions from the Director of Workforce for any redundancy situation leading to contractual entitlement to a payment in excess of £95,000.
- 9.50 An annual report on voluntary severance agreements and any other voluntary resignations with a financial consideration that have been approved through the extant Scottish Government business case process and authorised by the NES CEO as Accountable Officer shall be presented to the Remuneration Committee in advance of the inclusion of the associated data in the Annual Accounts.
- 9.51 Subject to the limits laid down in the Scheme of Delegation, all early retirements, that meet the requirement for a two-year maximum pay-back period and result in additional costs being borne by the employer, will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board.
- 9.52 Early retirements due to ill health are approved by SPPA and are usually out with the remit of the Remuneration Committee, in any rare and exceptional case where additional costs may be borne by NES, this will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board
- 9.53 The Director of Workforce and the Director of Finance shall be jointly responsible for ensuring that rates of pay and relevant conditions of

service are in accordance with current agreements as advised by the Scottish Government Health and Social Care Directorate and agreed by the Board. The Chief Executive, or Board in appropriate circumstances, shall be responsible for the final determination of pay but subject to the statutory duty of the Director of Finance who shall issue instructions regarding:

- Verification of documentation of data;
- The timetable for receipt and preparation of payroll data and payment of staff;
- Maintenance of subsidiary records for Superannuation, Income Tax, National Insurance and other authorised deductions of pay;
- Security and confidentiality of payroll information in accordance with the principle of the Data Protection Act, 1984;
- Checks to be applied to completed payroll before and after payment;
- Methods of payment available to various categories of staff;
- Procedures for payment to staff;
- Procedures for unclaimed wages which should not be returned to salaries and wages staff;
- Pay advances authorised and their recovery;
- Maintenance of regular and independent reconciliation of adequate control accounts;
- Separation of duties of preparing records and handling cash;
- A system to ensure the recovery from leavers of any sums due by them to NHS Education.

- 9.54 All employees shall be paid by bank credit transfer, unless otherwise agreed by the Director of Finance.
- 9.55 After approval by the Remuneration Committee, the Chair will personally authorise for payment the Performance Related Pay (PRP) of the Chief Executive and the Chief Executive will personally authorise for payment the PRP of all other NES staff.
- 9.56 The Director of Finance shall ensure salaries and wages are paid on the currently agreed dates but may vary these when necessary due to special circumstances (e.g. Christmas or other Bank Holidays). Payment to an individual shall not normally be made in advance of the normal pay date.

10. TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

- 10.1 The Director of Finance shall ensure that all expense claims by employees of NES are reimbursed in line with the relevant NHS regulations, and in line with the NES Travel and Subsistence Policy.
- 10.2 The Director of Finance shall issue additional guidance on the submission of expense claims, specifying the documentation to be used, the timescales to be adhered to and the required level of authorisation.

11. CONTRACTING AND PURCHASING

- 11.1 All procurement must be undertaken in line with the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the principles set out in the Scottish Governments Scottish Procurement Policy Handbook 2008, and the Scottish Governments published Procurement Journey, including any subsequent revisions.
- 11.2 In all circumstances officers of NES shall seek to obtain Best Value through the application of the NES Policy and Procedures.
- 11.3 NES shall comply as far as is practicable with the Scottish Capital Investment Manual and Scottish Procurement Policy Notes.
- 11.4 European Union Procurement Directives shall have an effect as translated through Public Contracts (Scotland) Regulations 2015 and any subsequent revisions
- 11.5 In accordance with CEL 05 (2012) where national, regional or local contracts exist (including framework agreements) NES will use these contracts. Only in exceptional circumstances and with the authority of the Head of Procurement and Commissioning, the Head of Finance or the Director of Finance, based on the scheme of delegation, can goods or services be ordered out-with such agreements.

THRESHOLDS FOR PURCHASING/ORDERING

- 11.6 The central Procurement team are responsible for all Procurement activities. The thresholds (excluding VAT) for the purchasing/ordering of goods and services are as follows: -

Thresholds (ex-VAT)	Purchasing Process
Order value ≤ £10,000	Achievement of value for money should be demonstrated.
Order value > £10,000 and ≤ £25,000	Three competitive written quotations to be received from reputable suppliers.
Order value ≥ £25,000	Tendering process applies

Value for Money (VFM), Public Contracts Scotland (PCS), including PCS Quick Quote and the EU/GATT Directives must be applied when the estimated contract value exceeds the procurement thresholds set out in the table below. In case of any doubt, advice must be sought from the Procurement Department

Spend £k	≥123*	OJEU	OJEU	OJEU	OJEU	OJEU
	>50 <123*	PCS-T	PCS-T	PCS-T	PCS-T	PCS-T
	>25 ≤50	PCS	PCS	PCS	PCS	PCS
	>10 ≤25	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS
	>0 ≤10	VFM	VFM	VFM	VFM	PCS Quick Quote
		Very Low	Low	Medium	High	Very High
Risk/Complexity						

* revised bi-annually by EU directive

Order value refers not only to individual orders but also to the total estimated value of recurring orders for like goods/services.

ACCEPTANCE AND AWARD BY CHIEF EXECUTIVE

- 11.7 The Chief Executive, acting with the Director of Finance are authorised on behalf of the organisation to accept tenders and award contracts. This responsibility can be assigned to those who have delegated financial authority
- 11.8 The limits for delegation for the acceptance of tenders shall be approved by NES Board and the Executive Team from time to time.
- 11.9 Formal tendering procedures may be waived with the recorded approval of the Director of Finance where;

- For values below the OJEU limits, the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; and
- Specialist expertise is required, and evidence is provided to demonstrate that this is available from only one source; and
- The task is essential to complete the project, and arises as a consequence of a recently completed assignment and engagement of different consultants for the new task would be inappropriate; or
- There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or
- Article 19 of the EU public procurement directive 2004/18/EC enacted by Part 2, Section 2, Clause 21 of the Public Contracts (Scotland) Regulations 2015, allows any public sector body to restrict the tendering process for goods or services to supported factories and businesses only. The directive only applies as a matter of law to contract opportunities which have a financial value greater than the OJEU threshold values.
- Where provided for in the Scottish Capital Investment Manual.

11.10 Competitive tendering can only be waived in specific, limited circumstance by the Chief Executive, Director of Finance, Head of Procurement, or Head of Finance per the maximum contract values in the table below. The waiver and the reasons should be documented, and the record retained by Procurement.

SINGLE TENDER

11.11 Where only one tender is received, NES must ensure, as far as practicable, that the price to be paid is fair and reasonable. If this situation arises the reasons for accepting the single tender should be formally documented and submitted to the Head of Procurement.

OFFICIAL ORDERS

11.12 No goods, services or works other than works and services executed in accordance with a contract or a NES Purchasing Card shall be ordered except on an official order, whether hardcopy or electronic, and contractors shall be notified that they should not accept orders unless on an official order form or processed via an approved secure electronic medium. Oral (Verbal) orders shall be issued only by an officer designated by the Chief Executive and only in accordance with the

Business Continuity Plan. These shall be confirmed by an official order issued no later than the next working day, except for in exceptional circumstances, and clearly marked "Confirmation Order". National contracts must be used unless express permission, within the scheme of delegation, has been obtained from the Head of Commissioning and Procurement, the Head of Finance or the Director of Finance.

- 11.13 Official orders shall be issued by the NES Purchase Order system in a form approved by the Director of Finance and shall include such information concerning prices or costs as he/she may require. All orders shall incorporate an obligation on the contractor to comply with NES terms and conditions as regards delivery, carriage, documentation, variations etc.
- 11.14 Orders will be processed and transmitted by electronic methods in place of signed numbered paper-based orders providing always that appropriate procedures for such orders are agreed by the Director of Finance.
- 11.15 Official order forms, supported by appropriate requisition requests, shall only be approved officers authorised by the Chief Executive. Lists of authorised officers shall be maintained and a copy of such list supplied to the Director of Finance.
- 11.16 No order, contract, lease shall be issued for any items for which there is no budget provision or for which no funding has been provided under the delegated powers of virement unless authorised by the Director of Finance on behalf of the Chief Executive. Members and officials must ensure that all contracts, leases, tenancy agreements and other commitments they enter into on behalf of NES for which a financial liability may result but without secured funding or budget provision are notified to the Director of Finance in advance of commitment being made.

MANAGEMENT CONSULTANTS

- 11.17 NHS Circular MEL (1994) 4 advises NHS Boards and Special Health Boards of the results of a review of the use of Management Consultants and sets out a course of action to be adopted. Management Consultants should only be used when documentary evidence of a benefit to NES has been prepared.
- 11.18 In choosing a Management Consultant, steps should be taken to ensure that they are capable of carrying out the assignment; that Best Value is obtained; and that due probity is demonstrated in awarding the contract.

Appointment of Management Consultants must normally be by Competitive Tender.

11.19 Where successive assignments beyond the scope and terms of an appointment made by competitive tender arise, these should also be subject to tender arrangements. Where it is expected that there may be follow on assignments, it may be more appropriate for the tendering exercise to appoint Management Consultants under a call off arrangement.

CONTRACTS

11.20 NES may only enter into contracts within its statutory powers and shall comply with:

- Standing Orders;
- NES Standing Financial Instructions;
- EU Directives and other statutory provisions
- Any relevant directions including the Scottish Capital Investment Manual, Scottish Public Finance Manual and guidance on the use of Management Consultants.
- Such NHS Standard Contract conditions as are applicable.

11.21 Where specific contract conditions are considered necessary by the lead officer, these will be drafted by the Head of Procurement and Commissioning and where appropriate, advice shall be sought from suitably qualified persons and/or the Central Legal Office part of National Services Scotland (NSS).

11.22 In all contracts made by NES, the Procurement team shall endeavour to obtain Best Value. All tenders are awarded on the basis of MEAT (Most Economically Advantageous Tender) All supporting evidence is documented and held in accordance with Appendix 2: Retention Policy

11.23 Any contractual aspects will be managed by the Procurement team in addition to a nominated Point of Contact who shall oversee and manage deliverables.

11.24 All contracts entered into shall contain standard clauses empowering NES 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 all losses in full or enforce specific performance where goods or services are not delivered in line with contract terms.

11.25 The Director of Finance shall ensure that arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within SCOTCONCODE and SCIM. The Technical audit of these contracts shall be the responsibility of the relevant Director.

IN HOUSE SERVICES

11.26 The Chief Executive shall be responsible for ensuring that Best Value can be demonstrated for all services provided under contract or in-house. The Board or appropriate committee may also determine from time to time that in-house services should be market tested by competitive tendering.

REGISTER OF INTEREST

11.27 Acceptance of Financial Assistance, Gifts and Hospitality and Declaration of Interest.

- The principles relating to the acceptance by Health Service staff of financial assistance, gifts and hospitality from commercial sources and declaration of interest are stated in NHS Education for Scotland Hospitality Policy which references NHS Circular MEL 1994(48) Annex 7 and NHS Circular MEL 1994(80). This policy has been widely circulated and should be read as part of the Standing Financial Instructions.
- The policy covering acceptance of financial assistance, gifts and hospitality and declaration of interest is updated by the Workforce Directorate on behalf of the Chief Executive
- A register covering acceptance of financial assistance, gifts and hospitality is maintained by the Finance Directorate and the register of and declaration of interest is maintained by Board Services on behalf of the Chief Executive.
- No order shall be issued for any item or items for which an offer of gifts (other than low cost items e.g. calendars, diaries, pens and like value items), or hospitality has been received from the person interested in supplying goods or services. Any employee of NES receiving such an offer shall notify their line manager as soon as is practicable.

- Visits at supplier's expense to inspect equipment, goods or services must not be undertaken without the prior approval of the Chief Executive.

12. LOSSES AND SPECIAL PAYMENTS

- 12.1 Any officer discovering or suspecting a loss of any kind shall forthwith inform their line manager, who shall immediately inform the Fraud Liaison Officer. Where a criminal offence is suspected, the Counter Fraud policy in operation at NES must be applied, in accordance with the partnership agreement between NES and Counter Fraud Services.
- 12.2 The Director of Finance shall maintain a losses and compensation register in which details of all losses shall be recorded, as they are known. Write off action shall be recorded against each entry in the register.
- 12.3 Losses are classified according to details issued by the Scottish Government Health and Social Care Directorate.
- 12.4 In accordance with the Scheme of Delegation, the Chief Executive, acting together with the Director of Finance, may approve the writing off of losses within the limits delegated to the Board / Executive team by the Scottish Government Health and Social Care Directorate, as per NHS Circular CEL 10 (2010) (Appendix C): -

Item number	Category of Loss	Delegated Authority (per case) £
	Theft / Arson / Wilful Damage	
1	Cash	10,000
2	Stores/procurement	20,000
3	Equipment	10,000
4	Contracts	10,000
5	Payroll	10,000
6	Buildings & Fixtures	20,000
7	Other	10,000
	Fraud / Embezzlement / Corruption / Theft (where documentation has been falsified) & attempts to perpetuate any of these activities	
8	Cash	10,000
9	Stores/Procurement	20,000
10	Equipment	10,000
11	Contracts	10,000
12	Payroll	10,000
13	Other	10,000
14	Nugatory & Fruitless Payments	10,000
15	Claims Abandoned	
	(a) Private Accommodation	10,000
	(b) Road Traffic Acts	20,000
	(c) Other	10,000
	Stores Losses	
16	Incidents of the Service: - - Fire	20,000
	- Flood	20,000
	- Accident	20,000
17	Deterioration in Store	20,000
18	Stocktaking Discrepancies	20,000
19	Other Causes	20,000
	Losses of Furniture & Equipment and Bedding & Linen in circulation	
20	Incidents of the Service: - - Fire	10,000
	- Flood	10,000
	- Accident	10,000
21	Disclosed at physical check	10,000
22	Other causes	10,000
	Compensation Payments – Legal Obligation	
23	Clinical	250,000
24	Non-clinical	100,000
	Ex-gratia payments	
25	Extra-contractual payments	10,000
26	Comp payments – ex-gratia –Clinical	250,000

Item number	Category	Delegated Authority (per case) £
27	Compensation payments – ex-gratia – Non-clinical	100,000
28	Compensation payments – ex-gratia – Financial Loss	25,000
29	Other Payments	2,500
	Damage to Buildings and Fixtures	
30	Incidents of the Service: -	
	- Fire	20,000
	- Flood	20,000
	- Accident	20,000
	- Other Causes	20,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or kind	10,000
33	Other losses	10,000

- 12.5 The exercise of powers of delegation in respect of losses and special payments will be subject to the submission of annual reports to NES Audit Committee identifying which powers have been exercised and the amount involved.
- 12.6 The Audit Committee will formally consider and approve all Losses annually when recommending adoption of the Statutory Annual Accounts.
- 12.7 No special payments exceeding the delegated limits laid down, and subsequent amendments thereto shall be made without prior approval of the Scottish Government Health & Social Care Directorate.
- 12.8 The Director of Finance shall be authorised to take any necessary steps to safeguard NES's interests in bankruptcies and company liquidations.
- 12.9 All articles surplus to requirements or unserviceable shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Director of Finance.
- 12.10 The condemning officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance and the Chief Executive who shall take the appropriate action.

13. RISK MANAGEMENT

The Chief Executive Officer shall ensure that NES has a Risk Management Strategy that is approved and monitored by the Audit Committee.

The Risk Management Strategy shall include:

- A Statement on the NES approach to Risk Management
- A summary of the NES Strategy for Risk Management
- Details of the Structures in place to implement the strategy
- Details of the processes in place supporting the risk management structures
- Definition of the Risk Appetite i.e. the level of risk the board is willing to accept
- Definition of responsibilities with regard to risk management

The Audit Committee shall have oversight of the Risk Management Strategy and of the implementation and monitoring of risk management structures and processes.

The Director of Finance shall ensure that appropriate insurance and indemnity arrangements are in place in support of the risk management strategy.

14. STANDING COMMITTEES

The Board has established standing committees to which it delegates responsibilities. The remit of all committees will be reviewed annually and is published within the [Corporate Induction Handbook](#)

15. SPECIFIC ROLES & RESPONSIBILITIES

ROLE OF THE DIRECTOR OF FINANCE

15.1 The Director of Finance is responsible for:

- Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function;
- Ensuring that the effectiveness of Internal Audit is reviewed by the Audit Committee and meets the NHS mandatory audit standards;
- Liaising with Counter Fraud Services as appropriate to determine at what stage to involve the police in cases of fraud, misappropriation, and other irregularities;

15.2 The Director of Finance, designated auditors and representatives from Counter Fraud Services (CFS), are all 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 the organisation;
- The production of any cash, stores or other property of the organisation under an employee's control;
- Explanations concerning any matter under investigation.

ROLE OF INTERNAL AUDIT

15.3 The role, objectives and scope of Internal Audit are set out in the NHS Internal Audit Manual.

15.4 The Internal Auditor shall have specific responsibility to review, appraise and report upon:

- (a) Controls to ensure achievement of NES's objectives;
- (b) The extent of compliance with established policies, procedures, plans, regulations and laws etc;
- (c) The extent to which NES's assets and interests are accounted for and safeguarded from loss of any kind arising from: fraud and other offences, theft, accident, waste, extravagance, inefficient administration and poor value for money or other causes;
- (d) The suitability, reliability and integrity of management information systems;
- (f) The adequacy of follow-up action to their reports.

15.5 The Internal Auditors shall be accountable to the Audit Committee of NES. The reporting and follow up systems for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit manual. The reporting system shall be reviewed at least every 3 years.

15.6 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of NES or any

suspected irregularity in the exercise of any function of a pecuniary nature; the Director of Finance shall be notified immediately. (See also Section 13 – Losses and Special Payments).

- 15.7 The Director of Finance, normally via the Internal Auditor, shall investigate cases of fraud, misappropriation or other irregularities, in compliance with the approach agreed in the partnership agreement with NHS Counter Fraud Services.
- 15.8 The Internal Auditors shall issue reports to the Director of Finance, who shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take any necessary remedial action within a reasonable period shall be reported to the Chief Executive.
- 15.9 Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, or where sufficient action is not taken on matters of consequence, the Internal Auditor shall have direct access to the Audit Committee. In exceptional circumstances, where they deem necessary, the Internal Auditor shall have the right to report direct to the Chief Executive, NES Chair or the Chair of the Audit Committee.
- 15.10 At each meeting of the Audit Committee the opportunity should be given for the Chair of the Committee to meet with Non-Executive Members privately. At least twice a year the Chair of the Audit Committee and the Non-Executive Members should be provided with the opportunity to meet with the Chief Internal Auditor and External Auditors privately.

EXTERNAL AUDIT

- 15.11 The External Auditor is concerned with providing an independent assurance on financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NES accounts. Responsibility for securing the audit of NES rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000.
- 15.12 The appointed auditor has a general duty to satisfy himself that:
- The organisation's accounts have been properly prepared in accordance with directions given under the Public Finance and Accountability (Scotland) Act 2000;
 - Proper accounting practices have been observed in the preparation of the accounts;

- The organisation has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.

16. INFORMATION TECHNOLOGY

- 16.1 The Director of Digital shall be responsible for the overall maintenance and security of networked systems within NES. The Director of Finance shall be primarily responsible for the accuracy of data and the maintenance of appropriate security levels within the financial systems of NES.
- 16.2 The Director of Digital shall devise and implement any necessary procedures to protect NES and individuals from inappropriate use or misuse of any financial or other information held on computer files for which they have responsibility and shall take account of the provisions of the Data Protection Act 1998.
- 16.3 The Director of Finance shall satisfy himself that such computer audit checks and reviews as they may consider necessary are being carried out.
- 16.4 The Director of Finance shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another NHS Board or any other agency, assurances of adequacy will be obtained from them prior to implementation.
- 16.5 The Director of Finance shall ensure that contracts for computer services for financial applications with another NHS Board or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing and storage. The contract should also ensure rights of access for audit purposes.
- 16.6 Where another NHS Board or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 16.7 Where computer systems have an impact on corporate financial systems the Director of Finance shall ensure that:
- (a) Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;

- (b) Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists; and
- (c) Director of Finance staff have access to such data.

17. FIXED ASSETS

- 17.1 The Chief Executive and Director of Finance shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon the financial plans for each organisation.
- 17.2 The Director of Finance shall ensure that every capital expenditure proposal meets the following criteria:
 - Potential benefits have been evaluated and compared with known costs;
 - The cost consequences of the developments have been evaluated and included in future budgets;
 - Complies with the guidance in the NHSiS Scottish Government Scottish Capital Investment Manual and subsequent disclosure complies with International Financial Reporting Standards (IFRS).
- 17.3 Consideration should be given to the use operating leases where appropriate.
- 17.4 In the case of large capital schemes, a system shall be established for progressing the scheme and authorising necessary payments up to completion. Provision should be made for regular reporting of actual expenditure against authorisation of capital expenditure.
- 17.5 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Where land and property are disposed of, the requirements set out in the NHSiS Scottish Government Property Transactions handbook, together with any subsequent amendments, shall be followed.
- 17.6 There is a requirement to achieve best value when disposing of assets belonging to NES. Competitive Tendering should normally be undertaken in line with requirements of the organisation's tendering procedure.

17.7 Competitive Tendering or Quotation procedures shall not apply to the disposal of:

- Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined by the Chief Executive;
- Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the organisation;
- Items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed annually
- 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 but subject to compliance with such guidance.

17.8 The overall control of fixed assets shall be the responsibility of the Chief Executive advised by the Director of Finance.

17.9 All assets must be disposed of in accordance with MEL (1996) 7 “Sale of Surplus and obsolete goods and equipment”. The Director of Finance shall be notified of the disposal of any fixed assets. All proceeds from the disposal of fixed assets are notified to the Director of Finance.

17.10 NES shall maintain an asset register recording NES’s fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Asset Accounting Manual (Section 13) as issued by the Scottish Government Health and Social Care Directorate. The organisation shall maintain a register of assets held under the operating leases or PFI contracts.

17.11 A fixed asset control procedure shall be approved by the Director of Finance. This procedure shall make provision for:

- recording managerial responsibility for each asset;
- identification of additions and disposals;
- identification of all repairs 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.

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

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

17.14 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual

17.15 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual.

17.16 The Director of Finance shall approve a procedure for the calculation and payment of capital charges as specified in the Capital Accounting Manual.

18. FINANCIAL IRREGULARITIES

This section should be read in conjunction with the NES Fraud and Corruption policy.

18.1 Guidance on the approach to various forms of financial irregularities is contained in the following Scottish Government Health and Social Care Directorate Circulars which draw a clear distinction between treatment of suspected (a) theft and (b) fraud, embezzlement, corruption and other financial irregularities (hereafter referred to as “fraud etc”):

- CEL(2010)10 Revised Scottish Financial Return (SFR) 18: Enhanced reporting of NHS frauds and attempted frauds 29/03/2010
- NHSScotland Counter Fraud Services: National Services Scotland: partnership agreement with health boards 27/08/2009
- CEL(2009)18 Partnership agreement between NHSScotland Counter Fraud Services and NHS Boards and Special Health Boards 05/05/2009
- CEL(2008)03 Strategy to combat NHS fraud in Scotland 28/01/2008

Fraud is defined as:

- | | | |
|------------------------|---|--------------------|
| • Deception | • bribery | • forgery |
| • extortion | • corruption | • theft |
| • conspiracy | • embezzlement | • misappropriation |
| • false representation | • concealment of material facts & collusion | |

For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

18.2 Any officers suspecting theft and/or fraud should immediately inform their line manager who shall in turn inform the Fraud Liaison Officer, who will

immediately comply with the requirements of the partnership agreement with NHS Counter Fraud Services.

- 18.3 The Fraud Liaison Officer will also prepare a report for the first appropriate meeting of the Audit Committee setting out the full circumstances of the incident and any implications for management, including changes to internal control systems which may require to be made.
- 18.4 Careful consideration should be given to payment claims which arise from organisations or individuals who are under investigation or against who proceedings are being taken for suspected fraud, etc. Legal advice should be sought where necessary.
- 18.5 The Chief Executive should report the matter to the Scottish Government Health and Social Care Directorate in cases where the nature, scale or the persons involved in the suspected offence could give rise to national or local controversy or publicity, or where the offence may be widespread.

19. AUTHORISATION LIMITS

- 19.1 The purpose of Standing Financial Instructions is to ensure adequate controls exist for the committing and payment of funds on behalf of the Board.

SCHEME OF DELEGATION FOR SERVICE LEVEL AGREEMENTS

- 19.2 Provided the service or activity has been approved in the Operational Planning process or virement approval has been obtained, and once verified by the designated Finance Manager one of the signatories on a Service Level Agreement must be in accordance with the following:

OFFICER	AUTHORISATION LIMIT
Senior Managers and Assistant Directors	Up to or equal to £25,000
Associate Directors	£25,000 to £50,000
Directors and Post Graduate Deans	£50,000 to £250,000
Director of Finance	Over £250,000
Chief Executive	Over £500,000

SCHEME OF DELEGATION FOR CONTRACTS

- 19.3 Contracts and other agreements with non-NHS Bodies must have two signatories, one of which will be a Directorate officer and the other an authorised buyer, with specific delegated authority in accordance with the following table. The “List of Authorised Buyers” will be held by the Finance Department. The total contract value must also be verified by the designated Finance Manager to ensure this is in line with Operational Plans and budgets.

OFFICER	AUTHORISATION LIMIT
Administrator, Coordinator, Officer	Up to the level of their designated authority, which shall be no greater than £10,000
Senior Managers and Assistant Directors	£10,000 to £25,000
Associate Directors	£25,000 to £50,000
Directors and Post Graduate Deans	Over £50,000

AUTHORISED BUYER	AUTHORISATION LIMIT
Procurement Officer	Up to the level of their designated authority, which shall be no greater than £50,000
Procurement Manager	Up to or equal to £100,000
Head of Procurement	Up to or equal to £200,000
Director of Finance	£200,000 to £500,000
Chief Executive	Contractual and other commitments over £500,000

Contractual and other commitments with non-NHS Bodies over £1,000,000 in total should be reported to the Board.

SCHEME OF DELEGATION FOR PURCHASES (PURCHASE ORDERS AND INVOICES)

- 19.4 Purchase requisitions and invoices must be authorised by budget holders, or staff with delegated authority from budget holders, and verified by the designated Finance Managers up to the following levels:

OFFICER	AUTHORISATION LIMIT
Administrator, Coordinator, Officer	Up to the level of their designated authority, which shall be no greater than £10,000
Senior Managers and Assistant Directors	Up to or equal to £25,000
Associate Directors	Up to or equal to £50,000
Directors and Post Graduate Deans	Up to or equal to £250,000
Director of Finance	Up to or equal to £500,000
Chief Executive	Contractual and other commitments over £500,000

- 19.5 All orders (or invoices without a purchase order) over £100k require second authorisation to provide assurance that the spend is in line with contractual and other commitments and ensures that orders have already been authorised by another senior member of staff, responsible for the budget concerned.

SECONDARY APPROVAL	AUTHORISATION LIMIT
Procurement Manager	Up to or equal to £250,000
Head of Procurement	Up to or equal to £500,000
Head of Finance	Up to or equal to £500,000
Director of Finance	Up to or equal to £500,000
Chief Executive	Contractual and other commitments over £500,000

- 19.6 In order to ensure that Purchase Orders can be processed through eFinancials and PECOS, it will be necessary to give Directors and Post Graduate Deans a higher limit of £500,000 within the background tables of the Finance Systems. This enables the system workflow to operate in a way that assures the buyer (providing the second level of approval) that the order has been approved by the person responsible for the budget. However, the controls in both systems will ensure that all Purchase Orders above £100,000 will require approval by a buyer, thus ensuring that the above limits are applied in practice. The same limits and dual authorisation process apply to all invoices without purchase orders.

- 19.7 Special arrangements exist for payments to other Boards in relation payments made through the Payment on Behalf Process as outlined in Section 9.40. These include payments in respect of Training Grades and the Additional Costs of Teaching (ACT). These payments are covered by approved SLAs and individual monthly payments are processed subject to confirmation from nominated senior officers within the relevant Directorate who have delegated authority from their director. All submissions are reviewed and authorised by the Head of Finance before being processed.

SCHEME OF DELEGATION FOR VIREMENTS

- 19.8 It is the responsibility of the Chief Executive and the Director of Finance to ensure all financial commitments entered into on behalf of the Board are in line with approved budgets and management plans. The authority to vire between budgets is covered through a scheme of financial delegation as set out below.

Virement is the agreed transfer of revenue budget provision from one income or expenditure line to another within a financial year, within the same Directorate.

During the operational planning process, the Executive Team approve the allocation of budgets on the basis of the information on inputs, outcomes and impact provided to them at that time. A key part of the governance process in NES is a robust system of budget monitoring and review to ensure that:

- Budgets are used for the purposes for which they are allocated;
- Any planned change in the purpose for which funds are used supports the strategic direction of NES; and
- There is no duplication in the use of funds across the organisation.

It is these criteria which must be taken into account when any budget virement is being considered.

The following adjustments are not subject to the Scheme of Delegation for Virements:

- Actual receipt of allocations which were anticipated and included as part of the operational planning process and therefore use has been approved. This transaction merely confirms receipt of pre-agreed funds and will be noted and approved at the next Executive team meeting.

- Training grade adjustments - where the number of trainees is set by Scottish Government and the total funding allocation agreed. Budget adjustments which reallocate funds within the pre-agreed total and on the approval of the appropriate governance group (National Reshaping Workforce Group) are not subject to virement rules.
- Budget allocations made by finance to release pre-agreed provisions (example – a provision created for a potential pay award).
- Enactment of structural change within the organisation. Where organisational change has been approved by the Change management Board and/or the Executive team which necessitates the reallocation of budget this will not also be subject to the Virement rules (example – consolidating budgets which are currently split across cost centres into one single budget).

OFFICER	VIREMENT LIMIT	AUTHORITY REQUIRED
Chief Executive	0 to £250,000	Totally Delegated (inform DoF)
	£250,000 to £500,000	Delegated but inform the Board
	over £500,000	Seek prior approval from Board
Director of Finance	0 to £100,000	Totally delegated (Inform Relevant Finance Manager)
	£100,000 to £250,000	Delegated but report to Chief Executive
	over £250,000	Seek prior approval from Chief Executive
Principal Lead, Finance Business Partnering (FBP) and Head of Finance	0 to £25,000	Delegated (Inform Relevant Finance Manager)
	£25,000 to £100,000	Delegated but report to Director of Finance
	Over £100,000	Seek prior approval from DoF
Budget Holders	0 to £25,000	Delegated (Inform Finance Manager)
	£25,000 to £100,000	Seek prior approval from Principal Lead FBP or Head of Finance
	over £100,000	Seek prior approval from Director of Finance
The base materiality level for the use of virement will be 10% of the original budget allocation. For example, where a cost centre/project has an original budget of £10,000 it is not envisaged that budget virements would be carried out for sums less than £1,000.		

19.9 Once the Board has approved the budget, plans and performance targets for the year and taken account of all reserves and anticipated contingencies, the Directors and Budget Holders will be responsible for managing their affairs within the budget allocated to them. This will include dealing with planned or unplanned expenditure on an individual basis and virement within the rules stated above. The virement rules stated above may be suspended with the agreement of the Executive Team

19.10 Any savings generated during the year must be quantified and disclosed to the Director of Finance as soon as possible prior to distribution under the virement rules stated above.

19.11 The Chief Executive in consultation with their Director of Finance should set authorisation limits for any other expenditure.

RESERVATION OF POWERS AND SCHEME OF DELEGATION

19.12 Matters on which decisions on, and/or approval of, are retained by the Board:

- Policy;
- Strategy, business plans and budgets;
- Standing Orders;
- Standing Financial Instructions;
- The establishment, terms and reference and reporting arrangements for all Committees and Sub Committees (including Standing Committees);
- Significant items of Capital Expenditure or disposal of assets
- Recommendations from all Committees and Sub-Committees (Where powers are Delegated)
- Annual Report and Annual Accounts;
- Financial and performance reporting arrangements;
- Investment Policy for exchequer and endowment funds;
- Constitution and Terms of Reference for statutory Committees.

19.13 Powers delegated by the Board to the committees are detailed in the *Scheme of Delegation* which is available [here](#)

19.14 All other decisions other than those referred to in paragraphs mentioned above, are delegated by the Board to officers of the Board through the Chief Executive as detailed in Appendix 1.

Authorisation limits related to the scheme of delegation and, where indicated, details of the officers who have been delegated responsibility are included within the Standing Financial Instructions.

20. ENDOWMENT FUNDS & GENERAL NURSING COUNCIL (GNC) FUND

- 20.1 The foregoing sections of these Standing Financial Instructions shall also apply equally to the GNC fund and the Endowment funds of the NES's Post Graduate Centres, except that expenditure from Endowment Funds shall be restricted to the purposes of the appropriate Fund and made only with the approval of the respective Trustees.
- 20.2 All Members of NES appointed by Scottish Ministers, are "ex officio" Trustees of the Endowment Funds. The NES Board is responsible for the appointment of the Trustees of the GNC Fund.

The Trustees have specific responsibilities:

- Acting together and individually with all other trustees;
 - Control cannot be delegated to staff or fund holders;
 - Must have an understanding of ideals and purposes of the Endowment Fund;
 - Cannot carry out activities beyond the remit within the appropriate legislation;
 - Money can only be spent for charitable purposes within the remit of the charity or the purposes of a restricted fund;
 - Transactions entered into by Trustees, which although legal but are out with the Charity's objectives and are deemed "ultra vires", could lead to the trustees being personally liable for any loss incurred by the Endowment Fund and the GNC Fund.
- 20.3 Under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 the Trustees have a responsibility to:
- Provide on request an up to date annual report and set of accounts in a form and content consistent with the requirements of the Act;
 - Control and manage the finances of the GNC Fund and the Endowment Fund, ensure proper accounts are kept as required by the Office of the Scottish Charity Regulator.
 - Control the investment policy and monitor the performance of the investments within that policy on a regular basis;
 - Prepare an annual statement of accounts comprising an Income and Expenditure Statement, Balance Sheet and Cash Flow Statement,

together with additional information by way of notes, all consistent with the requirements laid down by the Officer of the Scottish Charity Regulator.

- The annual statement of accounts must be approved by the Trustees and signed by one of their members on their behalf and as authorised by them;
- 20.4 Trustees of Endowment Funds within NES may appoint an Endowment Advisory Committee to provide advice to Trustees of all funds in the exercise of all their responsibilities.
- 20.5 The Director of Finance shall ensure that annual accounts are prepared as soon as possible after the year end and in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and that proper arrangements are made for these to be audited by a separately appointed External Auditor, and submitted to the Office of the Scottish Charity Regulator (OSCR).
- 20.6 The Director of Finance shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of the Trustees as trustees of Endowment Funds and the GNC Fund, including an Investments Register consistent with the current statutory requirements (Law Reform (Miscellaneous Provision) (Scotland) Act 1990).
- 20.7 All share and stock certificates and property deeds shall be deposited either with the trustee body's Bankers or Investment Advisers, or in a safe, or a compartment within a safe, to which only a designated responsible officer will have access.
- 20.8 The ownership of all shares and stock certificates, if managed by a commercial concern, shall be periodically verified by the auditors appointed by the Trustees.
- 20.9 All gifts, donations and proceeds of fund raising activities which are intended for Endowment Funds and the GNC Fund shall be handed immediately to the Director of Finance, or an officer nominated by him/her for the purpose, to be banked directly into the appropriate Endowment Fund or the GNC Fund, subject to the local use of smaller amounts as agreed from time to time.
- 20.10 All gifts accepted shall be received and held in the name of appropriate Trustees and administered in accordance with the Trustees' policy, subject to the terms of specific Funds. As Trustees may accept gifts for specific and non-specific purposes relating to the health service, officers

shall, in cases of doubt or where there are material revenue expenditure consequences, consult the Director of Finance before accepting any gifts.

- 20.11 The Director of Finance shall be required to advise the appropriate Trustees on the financial implications of any proposal for fund raising activities which NES may initiate, sponsor or approve under the guidance contained in Circular No MEL (2000)13.
- 20.12 The Director of Finance shall be kept informed of all enquiries regarding legacies and shall keep an appropriate record. After the Death of a testator all correspondence concerning a legacy shall be dealt with on behalf of the appropriate Trustees by the Director of Finance who alone shall be empowered to give an executor a good discharge.
- 20.13 Where it becomes necessary for the appropriate Trustees to obtain a grant of probate, or make an application for Confirmation of Executor, in order to obtain a legacy due to the Trustees under the terms of a will, the Director of Finance who alone shall be empowered to give an executor a good discharge.
- 20.14 Where it becomes necessary for the appropriate Trustees to obtain a grant of probate, or to make an application for Conformation of Executor, in order to obtain a legacy due to the Trustees under the terms of a will, the Director of Finance shall be the Trustee's nominee for the purpose.
- 20.15 Endowment Funds and the GNC Fund shall be invested subject to the following considerations subject to statutory requirements:
- The policy regarding the treatment of accumulated balances;
 - Division of funds between narrow and wide range investments as defined in the Trustees Investment Act 1961 (amended 1995); and
 - Agreements of the Trustees after considering any advice received from the Trustees Investment managers.

APPENDIX 1

Scheme of Delegation

Delegated Issue and Scope of Delegation	Responsible Officer	Deputy
Chair all Board meetings and associated responsibilities	Chair	Vice Chair
Risk Management	Chief Executive	Director of Finance
Demonstrate best value for money for all services	Chief Executive	Director of Finance
Disciplinary and Grievance arrangements	Chief Executive	Director of Workforce
Standards of business conduct for staff	Chief Executive	Director of Workforce
Register of Interests - Members - Staff	Chief Executive Chief Executive	Director of Planning and Corporate Resources Director of Workforce
Approve and sign all legal documents which will be necessary in legal proceedings related to staff	Chief Executive	Director of Workforce
Complaints	Chief Executive	Director of Planning and Corporate Resources
Freedom of Information	Chief Executive	Director of Digital
Educational Quality Assurance Systems	Chief Executive	Director of Medicine
Operation of all detailed financial matters including bank accounts and banking procedures.	Director of Finance	Head of Finance
Implementing the Board's financial policies and co-ordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented	Director of Finance	Head of Finance
Delegation of budgets and approval to spend funds within delegated limits	Chief Executive	Director of Finance
Recording and monitoring of payments under the	Director of Finance	Head of Finance

Delegated Issue and Scope of Delegation	Responsible Officer	Deputy
losses and compensation regulations		
Procedures for the procurement, ordering and receipt of goods	Director of Finance	Principal Lead, Procurement
Payment of staff	Director of Finance	Head of Finance
Procedures for the payment of travel, subsistence, study course and other expenses	Director of Finance	Head of Finance
Procedures for the payment of accounts	Director of Finance	Head of Finance
Management of Non-Exchequer funds	Director of Finance	Head of Finance
Liaison with Internal Audit service	Director of Finance	Head of Finance
Issuing Tenders	Director of Finance	Principal Lead Procurement
Receiving and Opening of Tenders	Director of Finance	Authorised personnel
Devise and maintain systems of budgetary control	Director of Finance	Principal Lead, Finance Business Partnering (FBP)
Annual Accounts and reports	Director of Finance	Head of Finance
Banking Arrangements	Director of Finance	Head of Finance
Risk Management Processes	Director of Finance	Head of Planning and Performance
Management and control of computer systems and facilities including data protection	Director of Digital	Principal Lead for Corporate Digital
Investigate any suspected cases of fraud and other irregularity	Director of Finance	Counter Fraud Services

Delegated Issue and Scope of Delegation	Responsible Officer	Deputy
Review, appraise and report in accordance with NHS Internal Audit Manual and best practice	Chief Internal Auditor	
Information Governance	Director of Digital	Principal Lead for Corporate Digital
Caldicott Guardianship	Postgraduate Dental Dean	Deputy Director of Medicine
HR Management	Director of Workforce	Depute Director of HR
Procedures for employment of staff	Director of Workforce	Depute Director of HR
Leave: annual, compassionate, special leave and leave without pay.	Director of Workforce	Depute Director of HR
Grievance and disciplinary procedures for staff	Director of Workforce	Depute Director of HR
Health and Safety arrangements	Director of Workforce	Depute Director of HR
Responsible for security of the Board's property, avoiding loss, exercising economy and efficiency in using resources and conforming Standing Orders, Financial Instructions and Procedures.	All members and employees of NES.	
Approval for contractual redundancy payments under £95,000	Director of Workforce and Director of Finance	Depute Director of HR and Head of Finance

Delegated Issue and Scope of Delegation	Responsible Officer	Deputy
Recommendations for Early Retiral payments under £95,000 to be considered by the Remuneration Committee for final approval by the Board. Payments above this limit will be required to be approved by the relevant Scottish Government Minister prior to approval by the NES Accountable officer	Director of Workforce and Director of Finance	Depute Director of HR and Head of Finance
Payments under Settlement agreements and Voluntary Resignation schemes	Chief Executive	Deputy Chief Executive

APPENDIX 2a: Records Retention Schedule

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
General				
G001	General	Meeting papers - External	Current year + 1year – Destroy (May be retained longer but for reference needs only. Not to be retained as a NES record.)	Originals available from meeting administrator if required
G002	General	Meeting papers - Administered by the Directorate	Cy + 5 years – Destroy (For NES administered meetings, a master set of the minutes and papers should be retained by the directorate/team who administer the meeting. Where possible these should be stored electronically in a shared space.)	Prescription and Limitation (Scotland) Act 1973.
G003	General	Meeting papers - Internal - not administered by the Directorate	Destroy after meeting or when no longer required for immediate requirements.	Originals available from meeting administrator or Intranet if required
G004	General	General official correspondence files (Only significant business correspondence should be held on file. Circulars, invitations etc. should be destroyed when no longer required)	Current year + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
G005	General	NES Policy/procedure documents	Superseded + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973. Business requirement
G006	General	NES Policy development files	Current year + 5 years – Destroy. (Select most significant policy files for possible transfer to The National Archives in co-operation with the Corporate Records Manager.)	Prescription and Limitation (Scotland) Act 1973.
G007	General	Copy financial records.	Current year + 1year - Destroy	Originals with Finance.
G008	General	Copy travel claims	Current year + 1year - Destroy	Originals with Finance.
G009	General	Procurement tenders	Award of contract + 6 years - Destroy	Standing Financial Instructions.

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
G010	General	E-mails forming part of another significant record or file.	As per the retention schedule for that record, activity or file.	
G010	General	E-mails of ephemeral value	Delete as soon as no longer required.	
G012	General	Litigation/tribunal/formal complaint files	10 years after last action - Destroy	Significantly increased risk of follow-up action or litigation. Data Protection Act 1998. Scots Law Society practice.
G013	General	MP/MSP enquiries	10 years - Destroy	Business use. Significantly increased risk of follow-up action.
G014	General	Copies of external (non-NES) reports and publications.	While in current use - Destroy	Can be obtained again from original source. (NOTE: Storage on the network of electronic copies of third-party publications without permission may be in breach of copyright.)
Dental Directorate				
D001	Dental Training - Vocational Trainees –	Vocational Trainee files including:	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D002	Dental Training - Vocational Trainees	Copy of contract	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D003	Dental Training - Vocational Trainees	Copy of practice visit forms	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D004	Dental Training - Vocational Trainees	Education agreement	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D005	Dental Training - Vocational Trainees	Monthly absence returns	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D006	Dental Training - Vocational Trainees	Copies of certificates	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
D007	Dental Training - Vocational Trainees	Copies of audit	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D008	Dental Training - Vocational Trainees	Copy of project	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D009	Dental Training - Vocational Trainees	Claims correspondence	Duration of VT + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D010	Dental training – Vocational Trainees	Vocational Trainee files – Trainees with difficulties/ complaints. (VDP/Hospital)	Last action + 10 years - Destroy	Increased risk of legal action. Data Protection Act 1998. Law Society guidance.
D011	Dental Training - Vocational Trainees	Record of Progress and Achievement (paper file until Aug 2007)	Transfer to trainee at end of programme	Portfolio is 'property' of trainee. Where NES is holding on trainee's behalf, this should be transferred on completion of VDT.
D012	Dental Training - Vocational Trainees	Record of Progress and Achievement (e-portfolio)	Duration of VT + 5 years – Destroy	Trainee may download their own copies at any point. 5-year period covers first GDC CPD cycle.
D020	Dental – HQ	Dental equivalence committee papers	5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D021	Dental- HQ	Dental Dashboard university data	Current + 1 year - Destroy	Cleanse superseded data on annual upload of new data.
D030	Dental training - Dental nurses	Dental nurse portfolio - paper	Transfer to trainee at end of programme	Portfolio is 'property' of trainee
D031	Dental training - Dental nurses	Trainee files	Duration of training + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D040	Dental training – Trainers	Trainer files (including applications, qualifications,	6 years after training role ends – Destroy	HR practice

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
		accreditation, contracts, correspondence)		
D050	Dental training - Administration	Section 63 course files	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D051	Dental training - Administration	Training course files	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D052	Dental training - Administration	Vocational Training practice files	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D053	Dental training – Administration	Determination X Applications	Current year + 3 years - Destroy	Cycle of Dental Practice approval.
D060	General Dental Practitioner - CPD course administration	Request for overnight accommodation	1 year after event - Destroy	In case of queries
D061	General Dental Practitioner - CPD course administration	Approved courses	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D062	General Dental Practitioner - CPD course administration	Signed registers	Delete once data is entered on Pinnacle database.	Pinnacle becomes principal record.
D063	General Dental Practitioner - CPD course administration	Course evaluation form	1 year after event - Destroy	In case of queries. Statistical data captured.
D064	General Dental Practitioner - CPD course administration	Lecturer evaluation forms	1 year after event - Destroy	In case of queries. Statistical data captured.
D065	General Dental Practitioner - CPD course administration	Speakers contracts - annual	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D066	General Dental Practitioner - CPD course administration	Course information	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
D067	General Dental Practitioner - CPD course administration	Speaker correspondence	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D068	General Dental Practitioner - CPD course administration	Course attendee's info	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D069	General Dental Practitioner - CPD course administration	Equal Opportunities Monitoring forms	Current year + 1 year – Destroy	Data captured for statistical purposes. No requirement for individual forms.
D070	Continuing Education Programmes	As for CPD above.		
D080	Dental clinical audit	SEA form GP216/ audit and SEA	Returned to Practitioners – Not retained by NES	Practitioners are responsible for maintaining their own records.
D081	Dental clinical audit	Audit Reports/SEA report and minutes	Returned to Practitioners – Not retained by NES	Practitioners are responsible for maintaining their own records.
D090	Dental - Hospital Training	Trainee files - SHO	End of training + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D091	Dental - Hospital Training	Trainee files – SPR	End of training + 5 years – Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D092	Dental - Hospital Training	Specialist Training Committees - minutes and papers	Current year + 5 years - Destroy	GDC CPD cycle, Prescription and Limitation (Scotland) Act 1973
D093	Dental - Hospital Training	Recruitment files - SHOs, SPRs	1 year – Destroy	In case of queries. Main record with employing Board
D100	Dental VT recruitment	Unsuccessful applications	End of recruitment + 1 year - Destroy	HR practice. Data Protection Act 1998
D101	Dental VT recruitment	Successful applications	Transfer to Health Board. Retain copy for 1 year – Destroy	HR practice. Data Protection Act 1998

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
D111	Dental Assessment	Assessments – electronic record.	15 years- Destroy	For research and predictive validity. (To be reviewed.)
Finance and Corporate Resources Directorate				
F001	Purchase and payment	Original invoices receivable - Debtors	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28. HM Customs & Excise
F002	Purchase and payment	Original invoices payable - Creditors	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28. HM Customs & Excise
F003	Purchase and payment	Copy invoices	End of Financial Year + 1 year - Destroy	Business use
F004	Purchase and payment	Purchase orders	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F005	Purchase and payment	Purchase order database	End of Financial Year + 6 years - Delete time-expired records from database	Business use
F010	Funds receivable	Original invoices receivable - Debtors	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28. HM Customs & Excise
F012	Funds receivable	Income sheets	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F020	Financial control	General Ledger	End of Financial Year + 6 years - Delete time-expired records from database	NHS HDL (2006) 28
F021	Financial control	General Ledger - reports	End of Financial Year + 6 years - Destroy	Business use
F022	Financial control	General Ledger prints - initialled	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F023	Financial control	Budget monitoring reports	End of Financial Year + 3 years - Destroy	NHS HDL (2006) 28
F024	Financial control	Financial plans, estimates and recovery plans	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F025	Financial control	Costings	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F030	Financial claims administration	Study Leave Trainee Application Form	End of Financial Year + 6 years - Destroy	Business Use
F031	Financial claims administration	Study Leave Trainee Claim Form	End of Financial Year + 6 years - Destroy	Business Use
F032	Financial claims administration	Study Trainee claim receipts	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
F033	Financial claims administration	Primary Care Claim Forms	End of Financial Year + 3 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F040	Banking	Cheque counterfoils	Completion of audit + 3 years - Destroy	NHS HDL (2006) 28
F041	Banking	Bank statements	Completion of audit + 3 years - Destroy	NHS HDL (2006) 28
F050	Procurement	Signed contracts and arrangements	End of contract + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F051	Procurement	Tenders (accepted and unaccepted)	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F052	Procurement	Invitation to Tender	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F053	Procurement	Service Level Agreement with supplier	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F054	Procurement	Tender evaluation matrix	End of Financial Year + 6 years - Destroy	Standing Financial Instructions
F055	Procurement	Contracts database	Delete life expired records from database	Business use
F056	Procurement	Procurement review - ledger print	Review + 1 year – Destroy	Useful for auditors although not a primary record
F057	Procurement	Procurement review - ledger spreadsheets	Review + 6 years - Destroy	Useful for reference although not a primary record
F060	Audit	Internal Audit Reports	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F061	Audit	External Audit Reports	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F070	Taxation	VAT returns	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28. HM Customs & Excise
F081	Accountability	SFR returns	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
F082	Accountability	Scottish Government returns	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F083	Accountability	Statutory Accounts (Signed copy)	End of Financial Year + 6 years - Destroy	NHS HDL (2006) 28
F084	Accountability	Working papers for audit of Annual Accounts	End of Financial Year + 10 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F090	Payroll	Fiche copy of payroll	End of Financial Year + 10 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F091	Payroll	Manual files	End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F092	Payroll	Record of unpaid salaries and wages	End of Financial Year End of Financial Year + 6 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F093	Payroll	Staff returns and supporting records	End of Financial Year + 2 years - Destroy	Business Use - NES Standing Financial Instructions (Oct 2006)
F100	Risk Management	Corporate Risk Register	Superseded + 10 years – Destroy	Business value
F101	Risk Management	Departmental Risk Register	Superseded + 6 years - Destroy	Business value
F102	Risk Management	Management of Risk 'Champion' Files	1 year - Destroy	Business need
F103	Risk Management	Risk Register supporting correspondence and minutes	3 years - Destroy	Business need
F110	Communications	Press releases	Permanent	Historical value
F111	Communications	Media enquiries	3 years - destroy	Business use
F112	Communications	NES Publications	Permanent	Historical value
F113	Communications	Events file	18 months	Business use
F114	Communications	Publications files	3 years	Business use
F115	Communications	Publications	Copies of each publication to be sent to the Deposit Libraries and e-Library. Stocks retained while	Legal Deposit Libraries Act 2003

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
			current. Sample kept for 5 years after current - Destroy	
F120	Board administration	Board minutes - signed	Permanent – Transferred to National Archives of Scotland	NHS HDL (2006) 28
F121	Board administration	Board minutes - electronic	Permanent	Business value
F122	Board administration	Board papers - master set	Permanent – Transferred to National Archives of Scotland	NHS HDL (2006) 28
F123	Board administration	Board papers - electronic	Permanent	Business value
F130	Committee Administration	Committee minutes - signed	Permanent	NHS HDL (2006) 28
F131	Committee Administration	Committee minutes - electronic	Permanent	Business value
F132	Committee Administration	Committee Papers - master set	Permanent	NHS HDL (2006) 28
F133	Committee Administration	Committee papers - electronic set	Permanent	Business value
F140	Senior Management administration	SMT/Business Group minutes	Permanent	NHS HDL (2006) 28
F141	Senior Management administration	SMT/Business Group papers	Permanent	NHS HDL (2006) 28
F150	Board/Comm/SM administration	Event/Away-Day files	1 year	Business value
F151	Board/Comm/SM administration	Standing orders	Permanent	Business value
F152	Board/Comm/SM administration	Correspondence	3 years	Business value
F153	Board/Comm/SM administration	Board/Committee membership correspondence	Permanent	NHS HDL (2006) 28
F160	Senior management	Directorate Executive/Management teams' minutes and papers	10 years	Business value

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
F170	Office Services	Property files	Permanent	NHS HDL (2006) 28
F171	Office Services	Fit-out works files	Current + 10 years - Destroy	Business value
F172	Office Services	Accommodation issues files	Current + 10 years - Destroy	Business value
F173	Office Services	Environmental management files	Current + 10 years - Destroy	Business value
F174	Office Services	Health and Safety/Security procedure files	Current + 10 years - Destroy	NHS HDL (2006) 28
F180	Knowledge Services Group/e-library	Awaiting survey		
F190	Information Management and Technology	Systems development records	Lifetime of system + 5 years – Destroy	Joint Information Systems Committee
F191	Information Management and Technology	Systems development records – system not implemented	Last action + 5 years – Destroy	Joint Information Systems Committee
F192	Information Management and Technology	ICT Project Management	End of project + 5 years – Destroy	Joint Information Systems Committee
F193	Information Management and Technology	ICT Strategy	Superseded + 5 years - Destroy	Joint Information Systems Committee
F194	Information Management and Technology	Software licenses	Lifetime of use of software – Destroy	Joint Information Systems Committee
F195	Information Management and Technology	User requests/fault reporting	Last action + 1 Year – Destroy	Joint Information Systems Committee
F196	Information Management and Technology	Routine network management	Current year + 1 year - Destroy	Joint Information Systems Committee
F197	Information Management and Technology	Routine system testing/monitoring	Current year + 1 year - Destroy	Joint Information Systems Committee

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
F198	Information Management and Technology	Security /Acceptable Use breach evidence and actions	Last action + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
Human Resources Directorate				
H001	Employee administration	Personnel Files – Central HR file (Contains letters of application and appointment; confirmation of qualifications; contracts; joining forms; references; correspondence; termination form)	End of service + 6 years - Destroy	NHS HDL (2006) 28
H002	Employee administration	Personnel Files - Regional copy. (Contains letters of application and appointment; confirmation of qualifications; contracts; joining forms; references; correspondence; termination form)	End of service – Destroy immediately	Duplicate of central record
H003	Employee administration	Timesheets/Clock cards	2 years - Destroy	NHS HDL (2006) 28
H004	Employee administration	Annual leave records	2 years - Destroy	NHS HDL (2006) 28
H005	Employee administration	Summary information (e.g. name, NI number, dates of service, position) (Core data from Workforce database.)	70th birthday of employee - Destroy	Records Management: NHS Code of Practice. In case of pension disputes. (Review once shared services central database in use.)
H010	Staff governance - Discipline	First written warning	6 months - Destroy	NHS HDL (2006) 28
H011	Staff governance - Discipline	Final written warning	12 months - Destroy	NHS HDL (2006) 28
H012	Staff governance - Discipline	Letter of dismissal	End of service + 10 years - Destroy	NHS HDL (2006) 28

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
H013	Staff governance - Grievance	Grievance records	Conclusion of grievance or end of services + 6 years - Destroy	Limitations Act
H020	Recruitment	Applications - unsuccessful	Completion of recruitment + 1 year - Destroy	NHS HDL (2006) 28
H021	Recruitment	Applications - successful	See Personnel files above	
H022	Recruitment	CVs for non-executive directors - successful applicants	End of service + 5 years - Destroy	NHS HDL (2006) 28
H023	Recruitment	CVs for non-executive directors - unsuccessful applicants	Completion of recruitment + 2 years - Destroy	NHS HDL (2006) 28
	Payroll - see Financial Administration			
Medical Directorate				
M001	Medical training	Trainee portfolios - electronic	5 years after end of training programme- Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M002	Medical training	Trainee portfolios - paper	Transfer to candidate at end of training	
M003	Medical training	Pinnacle database	Retain core events for career - FY2 + 40 years. Strip out other data after 5 years	Core career record. Data Protection Act 1998
M004	Medical training	Doctors Online Teaching System (DOTS)	Delete data after 5 years	Business value. Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period. Data Protection Act 1998
M005	Medical training	Recruitment	Completion of recruitment + 1 year - Destroy	In case of queries. Data Protection Act 1998. MTAS guidance. (Successful applicants details transferred to form part of their record.)
M006	Medical training – All areas	Trainee records – Trainees with difficulties or formal complaints	Destroy 10 years after last action	Significantly increased risk of follow-up action or litigation. Data Protection Act 1998. Scots Law Society practice.

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
				(Overrides normal retention of 5 years after training ends.)
M010	Medical training - Hospital	Training post Start Form	3 years - Destroy	Business value
M011	Medical training - Hospital	Training post Termination Forms	3 years - Destroy	Business value
M012	Medical training - Hospital	Contract Structures	3 years - Destroy	Business value
M013	Medical training - Hospital	SHO files	End of training + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M014	Medical training - Hospital	SPR files	End of training + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M020	Medical training - Foundation	Certificate of Performance	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M021	Medical training - Foundation	RITA (Record of In-Training Assessment)	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M022	Medical training - Foundation	Significant Event Analysis	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M023	Medical training - Foundation	Educational Log	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
M024	Medical training - Foundation	Work based assessment	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M025	Medical training - Foundation	Multi-source feedback	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M026	Medical training - Foundation	Certificate of Satisfactory Service	40 years - Destroy	Requested by overseas employers.
M027	Medical training - Foundation	Trainee assessments of post and trainer	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M028	Medical training - Foundation	Record of Progress	End of FY2 + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M029	Medical training - Foundation	Trainee files - paper based. (Including: Records of discussion form; General correspondence; E-mails; RITA section; Study leave claims; CVs; Application forms; References; Appointment to Unit; Copies of sick lines.	End of FY2 + 5 years – Destroy OR if trainee continues to specialist training Transfer to Specialist Trainee file	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M040	Medical Training	Trainer courses/workshops	1 year - Destroy	For local reference.
M041	Medical Training	Trainer/Tutor files (including General correspondence, Approval, Annual reports, Offers of training posts)	End of contract as trainer + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
M042	Medical Training	Rotations files	5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period. Existing practice.
M043	Medical Training	Royal Colleges/PMetB Hospital Visits	5 years - Destroy	5-year visit cycle. Prescription and Limitation (Scotland) Act 1973 (as amended).
M044	Medical Training	PMETB Deanery Visit records	5 years - Destroy	5-year visit cycle. Prescription and Limitation (Scotland) Act 1973 (as amended).
M050	GP Training	GP Training Practice Visits	Retain until accredited - Destroy	Organisational value.
M051	GP Training	GP Training Practice/Trainer file. (Including: Approval; Appointments to training posts; Visits; Reports; General Correspondence.)	End of role as Training Practice + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended), GMC FTP, Revalidation period
M052	GP Training	GP Registrar/Trainee files	End of training + 2 years - Destroy	Organisational value
M053	GP Training	Summative Assessment (successful)	3 years – Destroy	National Office of Summative Assessment protocol
M054	GP Training	Summative Assessment (incomplete or unsuccessful)	5 years – Destroy	National Office of Summative Assessment protocol
M055	GP Training	COGPED audits	3 years – Review	National Office of Summative Assessment protocol.
M056	GP Training	Training practices - problem trainees	Destroy 10 years after last action	Significantly increased risk of follow-up action or litigation.

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
				Data Protection Act 1998. Scots Law Society practice.
M057	GP Training	Poorly performing doctors	Destroy 10 years after last action	Significantly increased risk of follow-up action or litigation. Data Protection Act 1998. Scots Law Society practice.
M058	GP Training	GP CPD database	Delete records 5 years after current	CPD Revalidation period. Prescription and Limitation (Scotland) Act 1973 (as amended). DP Act 1998.
M059	GP Training	GP CPD forms	1 year - Destroy	In case of queries. Data Protection Act 1998.
M060	GP Training	Retainer scheme files	5 years - Destroy	GMC Revalidation period. Prescription and Limitation (Scotland) Act 1973 (as amended). Data Protection Act 1998.
M070	Medical training - Study leave	Study leave applications (yellow copy)	Current year + 1 - Destroy	Can be retrieved from Finance if required.
M071	Medical training - Study leave	Study leave applications (pink copy)	Current year + 6 - Destroy	Financial audit. (Retained by Finance)
M072	Medical training - Study leave	Study leave claims and receipts	Current year + 6 - Destroy	Financial audit
M080	Medical training - CPD course administration	Course database - Details of participants and courses attended.	Delete records after 5 years	CPD Revalidation period. Prescription and Limitation (Scotland) Act 1973 (as amended). DP Act 1998. Payment details (such as credit card numbers) removed after training event
M081	Medical training - CPD course administration	Booking forms	1 year - Destroy	Data Protection Act 1998
M082	Medical training - CPD course administration	Course administration records. (Inc: correspondence, fees, bank	2 years - Destroy	For local reference

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
		details of presenters, presentations/handouts (paper copies of handouts destroyed after course).		
M083	Medical training – CPD course administration	Attendance registers	5 years - Destroy	CPD Revalidation period. May require to provide proof of attendance.
M090	GP appraisal	Appraiser file (including:) Acceptance form, Credibility statements, Shortlisting notes, CVs, Training outcome summary note, Yearly performance management appraisal.	Destroy 5 years after individual cease to be an appraiser.	GMC Revalidation period. Prescription and Limitation (Scotland) Act 1973 (as amended). Data Protection Act 1998.
M091	GP appraisal	Withdrawn and unsuccessful applications to be appraisers	3 years - Destroy.	In case of queries or reapplication. Data Protection Act 1998.
M092	GP appraisal	Applications database	Delete records after 20 years.	Basic information only. Historical statistical and audit.
M093	GP appraisal	Scottish Online Appraisal resource database	Delete records after 20 years	Basic information only. Historical statistical and audit. Appraisal information not held by NES.
M094	GP appraisal	Documents generated for appraisal Process (GP Scot forms)	Held by employing board, appraiser and appraisee Not held by NES.	
M095	GP appraisal	Feedback on appraisals	5 years - Destroy	GMC Revalidation period. Prescription and Limitation (Scotland) Act 1973 (as amended). Data Protection Act 1998.
M100	Medical - HQ	Medical Advisory Group	10 years - Destroy	Organisational value
M101	Medical - HQ	Transitional Boards	5 years - Destroy	Organisational value

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
M102	Medical - HQ	Specialist Committees - minutes and correspondence	10 years - Destroy	Organisational value
Nursing, Midwifery and Allied Health Professionals Directorate				
N001	NMAHP – CATCH	Successful course applications	Pass to HEI if required. If not, destroy after 6 months.	Data Protection Act 1998. HEI has records.
N002	NMAHP – CATCH	Unsuccessful course applications	18 months - Destroy	In case of queries or challenges
N003	NMAHP – CATCH	Database - 2 years after current	Current + 2 years - Delete record	Data Protection Act 1998.
N004	NMAHP – CATCH	Statistical returns	10 years - Destroy	Reference use.
N005	NMAHP – CATCH	Application files – Complaints, disciplinary or fraud cases	Last action + 10 years - Destroy	Significantly increased risk of follow-up action or litigation. Data Protection Act 1998. Scots Law Society practice.
N010	NMAHP - Chaplaincy	Organisation/policy files	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
N011	NMAHP - Chaplaincy	Spiritual Care Policies	Until superseded - Destroy	Originals held by Boards.
N012	NMAHP - Chaplaincy	Chaplain Database	Remove non-current records on an annual basis.	Data Protection Act 1998.
N013	NMAHP - Chaplaincy	Subject reference folders	Current - for reference use. Weed	Not records. Reference value only.
N014	NMAHP - Chaplaincy	Events files	2 years - Destroy	In case of queries and to assist future events.
N015	NMAHP - Chaplaincy	Data entry forms	1 year - Destroy	In case of queries
N020	NMAHP - SMMDP	Trainer details - Paper copy	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 (as amended.). Data Protection Act 1998
N021	NMAHP - SMMDP	Candidates details - Paper copy	Current year + 3 years - Destroy	Data Protection Act 1998. 3-year currency of training. 3-

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
				year NMC and Paramedic CPD cycle.
N022	NMAHP – SMMDP	Database - courses and candidates	Remove personal details 4 years after last contact	Data Protection Act 1998.
N023	NMAHP – SMMDP	Contact list - Lead Midwives	While Current. Weed out superseded entries.	Data Protection Act 1998.
N024	NMAHP – SMMDP	Course files - Course attendance	Current year + 3 years - Destroy	Data Protection Act 1998. 3-year currency of training. 3-year NMC and Paramedic CPD cycle.
N030	NMAHP - Publications	Publications	Copies of each publication to be sent to the Deposit Libraries and e-Library. Stocks retained while current. Sample kept for 5 years after current - Destroy	Legal Deposit Libraries Act 2003
N040	NMAHP - Project Management	Project files	Life of project + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
N041	NMAHP - Project Management	Original contracts	Held by Finance	Audit. Standing Financial Instructions.
N042	NMAHP - Project Management	Original tenders.	Award of contract + 6 years	Audit. Standing Financial Instructions.
N043	NMAHP	Data entry forms	Current + 1 year - Destroy	In case of queries
N044	NMAHP	Student records database	Remove personal data 3 years after current. (To be reviewed.)	Data Protection Act 1998. Data required for statistical purposes by SGHD. NMC 3-year registration cycle. NMC retain full records for all registered nurses.
N045	NMAHP	Healthcare Associated Infection course records	Current + 3 years - Destroy	Data Protection Act 1998. Data required for statistical purposes by SGHD.
N046	NMAHP	Registration forms	Current + 1 year - Destroy	In case of queries
N047	NMAHP	Healthcare Associated Infection course records	Current + 3 years - Destroy	DP Act 1998. Required for statistical purposes by SGHD.

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
Pharmacy Directorate				
P001	Pharmacy Training administration	Pharmacists database	Delete records 3 years after last contact	Data Protection Act 1998. Business value.
P002	Pharmacy Training administration	Application forms for programmes	End of current year - Destroy	Data is captured to database.
P003	Pharmacy Training administration	Completed register (returned by tutor)	3 years - Destroy	Data Protection Act 1998. Business value.
P004	Pharmacy Training administration	Q&A sheets returned by students	Current year + 6 months - Destroy	In case of queries after annual letter issued.
P005	Pharmacy Training administration	Distance learning - MCQs	Sample set for 5 years	Prescription and Limitation (Scotland) Act 1973.
P006	Pharmacy Training administration	Reminder letters	1 year - Destroy	In case of queries.
P007	Pharmacy Training administration	Completed course appraisals	Destroy after data-entry	Original forms not required after data entry.
P008	Pharmacy Training administration	Procedure documents	Superseded + 5 years	Prescription and Limitation (Scotland) Act 1973.
Psychology Directorate				
S101	Psychology HQ	HEI Course information	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
S102	Psychology HQ	Project files	End of Project + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
S103	Psychology HQ	Training officer contracts	End of service + 6 years - Destroy	NHS HDL (2006) 28. HR practice.
S201	Training Office	Records of recruitment and selection of trainees	End of recruitment cycle + 1 year - Destroy	NHS HDL (2006) 28. HR practice. In case of query. HEI and employers hold record of successful applicants.
S202	Training Office	Selection process review records.	Review + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973.
S203	Training Office	Feedback forms	1 year - Destroy	For reference.
S204	Training Office	Event files.	Event + 2 years - Destroy	For reference and use of precedent in future events.

Reference	Directorate/Activity	Records Series	Retention/Disposal	Drivers/Notes
Research function				
R001	Research activity	Primary research records	10 years - Destroy	Quality Assurance. JISC Guide to Managing Research Records. Note – Discretion should be used to identify high value records worthy of 10-year retention.
R002	Research activity	Research results and reports	10 years - Destroy	Reference value. Note – Copies of formally published reports must be placed with the statutory deposit libraries. See NES Information Governance Guidance 5.

APPENDIX 2b

Generic Records Retention Schedule

This summary schedule gathers the main functional retention periods which underpin the more detailed corporate schedule. It is intended to give guidance in cases where there are gaps in the fuller corporate schedule.

Function	Examples of records	Retention	Drivers
Project/programme management	Minutes of project meetings; Correspondence;	5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 as amended.
Research management	Correspondence, minutes of programme meetings, questionnaires, literature searches, draft reports	5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 as amended. Publications should be deposited with legal deposit libraries and the NES eLibrary.
Financial management	Invoices, ledgers, accounts	Current financial year + 6 years - Destroy	Taxes Management Act 1970, HMCE guidance, audit
Contract Management	Successful tenders, signed contracts	6 years - Destroy	Taxes Management Act 1970, HMCE guidance, audit
Personnel management	Personal files	Termination of employment + 6 years - Destroy	Taxes Management Act 1970, Data Protection Act 1998
Recruitment	Unsuccessful applications	1 year - Destroy	Data Protection Act 1998
Education governance and quality assurance of education	Correspondence, accreditation visits, course approvals	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 as amended. 5-year CPD/registration cycle for GDC and GMC. 3-year CPD/registration cycle for NMC.
Delivery of education	Course content, records of application and attendance, trainee correspondence, successful applications for training.	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 as amended. 5-year CPD/registration cycle for GDC and GMC. 3-year CPD/registration cycle for NMC.
Administration	General correspondence	Current + 5 years - Destroy	Prescription and Limitation (Scotland) Act 1973 as amended.

	Ephemeral emails	Delete as soon as no longer required	Corporate requirements.
Policy development	Final policy documents, key policy discussion records	Superseded + 10 years	Corporate requirements.
Meetings management	External meetings minutes and papers	Until actions completed - Destroy	Records kept by organiser of meeting
	NES meetings - minutes and papers	Organiser - Retain 5 years - Destroy	Records kept by organiser of meeting
		Other recipients - Until actions completed - Destroy	Records kept by organiser of meeting
	Main set of Board Minutes and papers	Transfer to The National Archives for permanent preservation	Public Records (Scotland) Acts