

## **CODE OF CONDUCT AND CODE OF ACCOUNTABILITY FOR BOARD MEMBERS OF HEALTH AND SOCIAL CARE BODIES**

This document comprises a Code of Conduct and a Code of Accountability for board members of Health and Social Care (HSC) bodies. These codes provide the basis on which HSC bodies should seek to fulfil the duties and responsibilities conferred upon them by the Department of Health, Social Services and Public Safety.

This document is being issued to all existing board members and will be issued to all new appointees. All board members should subscribe to these codes and should be judged upon the way the codes are observed.

# CODE OF CONDUCT

## Public Service Values

1. Public service values must be at the heart of Health and Social Care (HSC) services in Northern Ireland. High standards of corporate and personal conduct, based on a recognition that patients and clients come first, have been a requirement throughout the HSC since its inception. Moreover, since the HSC is publicly funded, it is accountable to the Northern Ireland Assembly for the services provided and for the effective and economical use of taxpayers' money.

## General Principles

2. Public service values matter in the HSC, and those who work in it have a duty to conduct HSC business with probity. They have a responsibility to respond impartially to staff, patients, clients and suppliers, to achieve value for money from the public funds with which they are entrusted and to demonstrate high ethical standards of personal conduct. The success of this Code depends on a vigorous and visible example from the board of each HSC body and the consequential influence on the behaviour of all those who work within the organisation. Given their prime responsibility for establishing and maintaining high corporate standards of conduct, the Code's precepts must inform and govern the decisions and conduct of all board members.
3. All board members must follow the Seven Principles of Public life set out by the Committee on Standards in Public Life (the 'Nolan Principles'):

### **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

<b>Integrity</b>	Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
<b>Objectivity</b>	In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
<b>Accountability</b>	Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
<b>Openness</b>	Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
<b>Honesty</b>	Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
<b>Leadership</b>	Holders of public office should promote and support these principles by leadership and example.

### **Openness and Public Responsibilities**

4. Health and social care needs and patterns of provision do not stand still. There should be a willingness to be open and to actively involve the public, patients, clients and staff as the need for change emerges. It is essential that the

reasons for change are fully explained and views from the public, patients and clients are actively sought and taken into account before decisions are reached. Information supporting those decisions should be made available, along with a summary of comments received from patients, clients and the public, and positive responses should be given to reasonable requests for information.

5. HSC business should be conducted in a way that is socially responsible. As large employers in their local communities, HSC bodies should forge an open relationship with their local communities and should conduct a dialogue with clients, patients and their carers about the planning and provision of the services provided. HSC bodies should demonstrate to the public that they are concerned with the wider health and social well-being of the population.
6. The duty of confidentiality of personal and individual patient/client information must be respected at all times.

### **Public Service Values in Management**

7. It is unacceptable for the board of any HSC body, or any individual within the organisation for which the board is responsible, to ignore public service values in achieving results. Chairs and board members have a duty to ensure that public funds are properly safeguarded and that at all times the board conducts its business as efficiently and effectively as possible. Proper stewardship of public monies requires value for money to be high on the agenda of all HSC boards. Accounting, procurement and employment practices within the HSC must reflect the highest professional standards. Public statements and reports issued by the board should be clear, comprehensive and balanced, and should fully represent the facts. Annual and other key reports should be made available in good time to all individuals and groups in the community who have a legitimate interest in health and social care issues to allow full consideration by those wishing to attend public meetings on local HSC issues.

## **Public Business and Private Gain**

8. Chairs and board members should act impartially and should not be influenced by social, political or business relationships. They should not use information gained in the course of their public service for personal gain or for political purposes nor seek to use the opportunity of public service to promote private interests or those of connected persons, firms, businesses or other organisations. Where there is a potential for private, voluntary, charitable etc interests to be material and relevant to HSC business, the relevant interest should be declared and recorded in the board minutes and entered into a register which is publicly available. When a conflict of interest is established, the board member should withdraw and play no part in the relevant discussion or decision.

## **Hospitality and Other Expenditure**

9. Board members should set an example to their organisation in the use of public funds and the need for good value when incurring public expenditure. The use of HSC monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered. All expenditure on these items should be capable of justification as reasonable in light of approved practice in the public sector. HSC boards should be aware that expenditure on hospitality or entertainment is the responsibility of management and is open to challenge by the internal and external auditors. Ill-considered actions can diminish public respect for the HSC.

## **Relations with Suppliers**

10. HSC boards should have an explicit procedure for the declaration of hospitality and sponsorship offered by, for example, suppliers. Their authorisation should be carefully considered and decisions should be recorded. HSC boards should

be aware of the risks in incurring – or seeming to incur – obligations to suppliers at any stage of a contracting relationship.

11. Suppliers should be selected on the basis of quality, suitability, reliability and value for money, in line with Northern Ireland public procurement policy.

### **Staff Concerns**

12. HSC boards should ensure that staff have a widely publicised and understood procedure for raising concerns about malpractice, patient safety, financial impropriety or any other serious risks they consider to be in the public interest, including breaches of this code and other concerns of an ethical nature. The board and non-executive directors must promote a culture of safety built on openness and accountability. Staff must be reassured that it is safe and acceptable to speak up and that their concerns will be handled with sensitivity and respect for confidentiality.

### **Compliance**

13. Board members should satisfy themselves that the actions of the board and its members in conducting board business fully reflect the values in this Code of Conduct. They must ensure that, as far as is reasonably practicable, concerns expressed by staff or others have been fully investigated and acted on.

## **CODE OF ACCOUNTABILITY**

### **Status**

1. HSC bodies are established under statute as corporate bodies, which means that they are separate legal entities. Statutes and regulations may prescribe the structure, functions and responsibilities of these bodies and may prescribe the way chairs and members of boards are to be appointed.

### **Statutory Accountability**

2. The Health and Social Care (Reform) Act (Northern Ireland) 2009 provides the legislative framework within which HSC bodies operate. Under section 2(1) of the 2009 Act, the Department has a general duty to promote an integrated system of:
  - health care designed to secure improvement in the:
    - physical and mental health of people in Northern Ireland; and
    - prevention, diagnosis and treatment of illness, and
  - social care designed to secure improvement in the social well-being of people in Northern Ireland.
3. In terms of service commissioning and provision, the Department discharges its duty under section 2(1) of the Reform Act primarily by delegating its statutory functions to the Health and Social Care Board (HSCB) and by establishing bodies to exercise specific functions on its behalf. All these bodies are accountable to the Department for the manner in which they perform their devolved duties, manage their assets and for adherence to high standards of public administration. The Department is in turn accountable, through the Minister, to the Assembly for the manner in which this overall duty is performed.

4. Along with those of the Department itself, the finances of all HSC bodies are subject to statutory review by the Comptroller and Auditor General for Northern Ireland on behalf of the Assembly.
5. The boards of HSC bodies must cooperate fully with the Department, the Department's appointed auditors and the Northern Ireland Audit Office in accounting for the use they have made of public funds, the delivery of patient care and other services, and compliance with statutes, directions, guidance and policies of the Department.

### **The Board of Directors**

6. The composition of the board of each HSC body is specified in its founding legislation. Typically, a board comprises executive board members, employees of the HSC body, and part-time non-executive board members under a part-time chair appointed by the Minister for Health, Social Services and Public Safety. Whatever its composition, board members share corporate responsibility for all decisions of the board. There is a clear division of responsibility between the chair and the chief executive. The chair's role and the board functions are set out below. The chief executive is directly accountable to the chair and non-executive members of the board for the operation of the organisation and for implementing the board's decisions. Boards are required to meet regularly and to retain full and effective control over the organisation. The chair and non-executive board members are responsible for monitoring the executive management of the organisation and are responsible to the Department for the discharge of these responsibilities.
7. HSC boards have corporate responsibility for ensuring that the organisation fulfils the aims and objectives set by the Department/Minister, and for promoting the efficient, economic and effective use of staff and other resources. To this end, the board shall exercise the following key functions:



- to establish the overall strategic direction of the organisation within the policy and resources framework determined by the Department/Minister;
- to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
- to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;
- to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;
- to appoint, appraise and remunerate senior executives;
- to ensure that there is effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs; and
- to ensure that the HSC body has robust and effective arrangements in place for clinical and social care governance and risk management.

8. In fulfilling these functions the board should:

- specify its requirements in terms of the accurate and timely financial and other information required to allow the board to discharge 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 secure compliance with the board's wishes;
- establish performance and quality targets that maintain the effective use of resources and provide value for money;

- ensure that proper management arrangements are in place for the delegation of programmes of work and for performance against programmes to be monitored and senior executives held to account;
- establish audit and remuneration committees on the basis of formally agreed terms of reference which set out the membership of the committee, the limit to their powers, and the arrangements for reporting back to the main board; and
- act within statutory, financial and other constraints.

### **The Role of the Chair**

9. The chair is responsible for leading the board and for ensuring that it successfully discharges its overall responsibility for the organisation as a whole. The chair is accountable to the Minister through the Departmental Accounting Officer.
10. The chair has a particular leadership responsibility on the following matters:
  - formulating the board's strategy for discharging its duties;
  - ensuring that the board, in reaching decisions, takes proper account of guidance provided by the Department and other departmentally designated authorities;
  - ensuring that risk management is regularly and formally considered at board meetings;
  - promoting the efficient, economic and effective use of staff and other resources;
  - encouraging high standards of propriety;
  - representing the views of the board to the general public;

- ensuring that the board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual board members; and
  - ensuring that all board members are fully briefed on the terms of their appointment, their duties, rights and responsibilities and assess, annually, the performance of individual board members.
11. A complementary relationship between the chair and the chief executive is important. The chief executive is accountable to the chair and non-executive members of the board for ensuring that board decisions are implemented, that the organisation works effectively, in accordance with government policy and public service values, and for the maintenance of proper financial stewardship. The chief executive should be allowed full scope, within clearly defined delegated powers, for action fulfilling the decisions of the board.

### **Non-Executive Board Members**

12. Non-executive board members are appointed by the Minister for Health, Social Services and Public Safety to bring an independent judgement to bear on issues of strategy, performance, key appointments and accountability, through the Department, to the Minister and to the local community.
13. The contribution of non-executive board members to board business derives from their wide experience and their detachment from the job of management. They have a key role in working with the chair in the appointment of the chief executive and other executive board members. The chair and non-executive board members comprise the remuneration and audit committees.
14. In addition, they undertake specific functions agreed by the board including an oversight of staff, relations with the general public and the media, participation in professional conduct and competency enquiries, staff disciplinary appeals

and procurement of information management and technology. Their exercise of such functions should be in a non-executive capacity.

### **Remuneration Committee**

15. The Remuneration Committee will make recommendations to the board on all aspects of remuneration and terms and conditions of employment for the Chief Executive and other executive directors. Directions issued by the Department on pay must be scrupulously observed. The Remuneration Committee should comprise the board chair and at least two non-executive directors. None of these members should be members of the audit committee.

### **Audit Committee**

16. The audit committee supports the board and Accountable Officer with regard to their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge. It has no authority in its own right, either over the management of risk, control, governance etc or over the operations of those bodies which conduct audit and assurance work in the organisation. It may, however, offer opinions or recommendations on the way in which such management is conducted. An audit committee that is asked to act as a risk committee needs to take particular care to avoid taking up the executive risk management function and to maintain its independence. The audit committee should comprise at least three non-executive directors. None of these members should be the chair or members of the remuneration committee.

17. The Audit Committee will provide the board with a means of independent and objective review of:

- systems of internal control; and
- compliance with statutory requirements, guidance and codes of conduct.

## **Reporting and Controls**

18. It is the board's duty to present, through the timely publication of an annual report, annual accounts and other means, a balanced and readily-understood assessment of the organisation's performance to:
- the Department, on behalf of the Minister;
  - external auditors appointed by the Department; and
  - the local community.
19. The detailed financial guidance issued by the Department, including that concerning the role of internal and external auditors, must be scrupulously observed.

## **Declaration of Interests**

20. It is a basic requirement that chairs and all board members should declare any conflict of interest that arises in the course of conducting HSC business. Chairs and board members must declare on appointment any business interests, position of authority in a charity or voluntary body in the field of health and social care, and any connection with a voluntary or other body contracting for HSC services. These should be formally recorded in the minutes of the board. Directorships and other significant interests held by members of HSC boards must be declared on appointment, kept up to date, and set out in the annual report.

21. In addition, HSC boards must keep a register of interest appropriate to the body's activities. The register should, as a minimum, list direct or indirect pecuniary interests which members of the public might reasonably think could influence board members' judgement. Board members are urged to register non-pecuniary interests which relate closely to the body's activities, and interest of close family members and persons living in the same household as the board member.
22. Registers of interests must be open to the public. Details of how access can be obtained should be made widely available and included in annual reports. Registers of interests should be published annually.

### **Employee Relations**

23. HSC boards must comply with legislation and guidance from the Department (whether or not issued explicitly on behalf of the Minister), respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money. Appointments to posts in the HSC should always be made on the basis of merit and should normally be by means of open competition.
24. The terms and conditions agreed by the board for senior staff should take full account of the need to obtain maximum value for money for the funds available for patient care, and of extant departmental direction or guidance on the subject. The board should ensure, through the appointment of a remuneration committee, that executive board members' total remuneration can be justified as reasonable in the light of general practice in the public sector. All board members' total remuneration from the organisation of which they are a board member should be published in the annual report.

### **Personal liability of board members**

25. Legal proceedings by a third party against individual board members are very exceptional. A Board member may be personally liable if he or she makes a fraudulent or negligent statement which results in a loss to a third party; or may commit a breach of confidence under common law or a criminal offence under insider dealing legislation, if he or she misuses information gained through their position. However, the Department has indicated that individual board members who have acted honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their board functions. Board members who need further advice should consult the Department.

**Department of Health, Social Services & Public Safety**

**April 2011**

