



**Council**  
**6 November 2014**  
**Revisions to the Governance Handbook**

<b>Classification</b>	Public
<b>Purpose</b>	For decision
<b>Issue</b>	Revisions to the Governance Handbook and Procurement Policy
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. To agree that minor amendments to the Governance Handbook should be made as set out in paragraphs 6-15.</li><li>2. To agree the new procurement policy set out in the Annex.</li></ol>
<b>Financial and resourcing implications</b>	None
<b>Equality and diversity implications</b>	None
<b>Communications implications</b>	None
<b>Annex</b>	Revised procurement policy
<b>Author</b>	Tim Walker

## Background

1. The new Governance Handbook was published following the governance review in 2012.
2. The current Governance Handbook can be found at: [http://www.osteopathy.org.uk/uploads/governance\\_handbook\\_january\\_2014.pdf](http://www.osteopathy.org.uk/uploads/governance_handbook_january_2014.pdf)
3. As part of the ongoing 'maintenance' of governance matters a desk review of the Governance Handbook has been undertaken with additional input from the Audit Committee.
4. The Audit Committee has recommended that changes should be made to the procurement policy (contained in Annex 3 of the Handbook).
5. The proposed changes and the rationale for these are set out below.

## Discussion

### *Governance Handbook – minor amendments*

6. Code of Conduct and confidential information.

Given the emphasis we are now placing on information governance, it is recommended that the wording around confidentiality in the Code of Conduct is strengthened so that it deals more clearly with failing to protect confidential information (both its holding and disposal) and not just deliberate disclosure of confidential information (Page 14).

7. Code of Conduct and personal behaviour

In relation to non-executives the Code says that 'their behaviour on GOsC business must demonstrate the standards expected of holders of public office'. It is recommended that the words 'on GOsC business' should be removed (Page 14).

8. References to appraisal

Throughout the document there are references to 'appraisal' rather than 'performance and development review' which it is recommended are corrected as this is the term used in the actual policy.

9. Questions from observers

Standing Order 23 (page 19) refers to questions from observers in the private session of Council which is contradictory and it is recommended should be corrected.

#### 10. Audit Committee terms of reference

It is recommended that section 3.1 (Page 36) language relating to the 'Key Issues Memorandum' is amended to reflect current audit practice.

#### 11. Audit Committee Chair

Section 3.6 (page 41) states that the Audit Committee may be chaired by a Council member. This contradicts Section 3.1 (page 37) which states that the Chair should be an external member. The decision of Council in the Governance review was that the Chair of the Audit Committee should be an external member and it is recommended that this is corrected.

A further reference to the role of the Audit Committee Chair in the remuneration policy (page 64) should be adjusted as a consequence.

Section 3.6 also states that the Audit Committee Chair should be appointed by the Chair of Council. This is out of line with other Committees and it is recommended that this is amended to be 'appointed by Council on the recommendation of the Chair of Council'.

#### 12. Financial procedures – accounting

It is recommended that in Section 7.2 (page 50) language relating to the 'Key Issues Memorandum' and 'Management Letter' is amended to reflect current audit practice.

#### 13. Financial procedures – budget transfers

Section 7.3 (page 51) gives authority to the Chief Executive to make budget transfers of up to £20,000 but is silent on anything greater. It is recommended that this should state that transfers greater than this amount should require the authority of Council.

#### 14. Financial procedures – investment

Section 7.5 (page 51) refers to Council receiving a report on investments but does not mention frequency. It is recommended that this should be annually.

#### 15. Remuneration policy

Section 10.3 (page 65) refers to the frequency of review of fees and expenses which contradicts the terms of reference of the Remuneration and Appointments Committee and it is recommended that this is amended accordingly.

#### 16. With the agreement of Council these amendments will be made to the Governance Handbook and the updated version published on the website and circulated to all non-executives.

*Governance Handbook – procurement of services*

17. Financial procedures – procurement of services

The Audit Committee considered a report from the Executive at its March 2014 meeting outlining a revised approach to the scrutiny and governance of major contracts, i.e. those of over £50,000. The scope of this would include such matters as major IT upgrades, building works and the education quality assurance contract.

The approach agreed by Audit Committee was for a five stage process as set out below:

1	Business case	<ul style="list-style-type: none"> <li>Approval by relevant Committee or Council</li> </ul>
2	Procurement strategy	<ul style="list-style-type: none"> <li>Approval by relevant Committee or Council</li> </ul>
3	Procurement	<ul style="list-style-type: none"> <li>Procurement panel including Chair or another Council member</li> </ul>
4	Contract award	<ul style="list-style-type: none"> <li>Legal review by Head of Regulation</li> <li>Sign off by procurement panel</li> <li>Publication of contract award notice</li> <li>Report to Committee/Council</li> </ul>
5	Performance evaluation	<ul style="list-style-type: none"> <li>Significant variations in specification and/or price to be reviewed by original tender panel</li> <li>Report to Committee/Council</li> </ul>

Further discussion at the July Audit Committee identified the need for more clarity about the governance of major variations to contracts including their cost, scope or schedule.

18. A proposed new procurement policy, taking into account the views of the Audit Committee, is set out in the Annex.

**Recommendations:**

1. To agree that minor amendments to the Governance Handbook should be made as set out in paragraphs 6-15.
2. To agree the new procurement policy set out in the Annex.

### 7.8 Procurement of services

1. It is the duty of all those engaged in the procurement of goods and services for the GOsC to ensure that they are obtained on the most economically advantageous terms. The criteria for procurement decisions should reflect qualitative, technical and sustainability aspects as well as price.
2. The following shall be subject to tender at least once every five years:
  - a. Audit
  - b. Insurance, investment and pension advice
  - c. Banking
  - d. Office services (printing, stationery catering)
  - e. Legal services specifically relating to fitness to practise
  - f. Educational quality assurance
  - g. Other consultancy services
  - h. Any major service contract in existence.
3. All contracts with an anticipated value between £5,000 and £50,000 shall be subject to the process for procurement of services set out below, unless otherwise varied by Council.
  - a. The relevant head of department shall prepare an invitation to tender setting out the specification for goods or services.
  - b. The relevant head of department shall consult with the Head of Regulation on the legal implications of any tender process (including any requirements arising from EU Procurement Directives), and shall comply with the requirements.
  - c. Where no legal requirement exists, or the number of suppliers is not specified, the relevant head of department will arrange for at least three suppliers to tender.
  - d. At least one of the Chief Executive, Head of Registration and Resources or Head of Regulation, will sit on the selection panel considering the tender.
  - e. The selection panel shall assess the tenders and make a recommendation on which of the potential suppliers offers the most economically advantageous tender.

- f. The final award of contract will be subject to a legal review by the Head of Regulation seeking specialist advice where required.
4. For tenders where the anticipated value is greater than £50,000, a number of additional steps to those identified in paragraph 3 will apply:
  - a. A business case, procurement strategy and project initiation document will be submitted in advance of the procurement for approval by the relevant committee or by Council.
  - b. The procurement panel will include the Chair or another Council member.
  - c. The final award of contract will be subject to the agreement of the procurement panel.
  - d. A contract award notice will be published on the GOsC website.
  - e. The outcome of the procurement will be reported to the relevant Committee and/or Council.
  - f. Where, for any reason, the cost of the procured goods or services increases by 10% or more or where a significant delay is anticipated the circumstances will be reviewed by the original tender panel.
  - g. The outcome of the review at f. will be reported to the relevant Committee and/or Council, and be open to review by the Audit Committee.
5. With effect from 1 April 2015 a list of all suppliers/contracts over £25,000 in value will be published on the GOsC website.
6. The Chief Executive is authorised to sign all contracts on behalf of the GOsC.