

# CORPORATE GOVERNANCE MANUAL

---

## ***Document Information***

---

Trust Policy Number	:	ULH-CORPORATE-SO01
Version	:	May 2021
Status	:	For approval by Board
Issued by	:	Trust Secretary
Issued date	:	4 May 2021
Approved by	:	Trust Board
Date of approval	:	4 May 2021
Date of review	:	4 May 2022

---

---

## ***Change Control***

---

Previous Versions	:	
Changes:Additions	:	:Reflection of updated corporate governance /Committee structure and revised Trust Operating Model
Modifications	:	
Deletions	:	
Date of Issue	:	
Review Date	:	
Referenced Documents	:	
<b>Relevant Legislation</b>		NHS Corporate Governance Framework / NHS Manual for Accounts
Relevant Standards	:	



## FOREWORD

The Standing Orders, Scheme of Delegation and Standing Financial Instructions provide a comprehensive regulatory and business framework for the Trust.

All directors, and all members of staff, should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfill the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly.

Failure to comply with any part of standing orders is a disciplinary matter, which could result in dismissal. Non-compliance may also constitute a criminal offence of fraud in which case the matter will be reported to the Trust's local counter fraud specialist in accordance with the Counter Fraud Bribery and Corruption Policy. Where evidence of fraud, corruption or bribery offences is identified, this may also result in referral for prosecution which could lead to the imposition of criminal sanctions.

## **STANDING ORDERS**

### **1. INTRODUCTION**

#### **1.1 Statutory Framework**

The United Lincolnshire Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 20<sup>th</sup> April 2000 under The United Lincolnshire Hospitals NHS Trust (Establishment) Order 2000 No 410, (the Establishment Order) and The United Lincolnshire Hospitals NHS Trust (Establishment) Amendment Order 2001 No 154.

The principal places of business of the Trust are Lincoln County Hospital, Lincoln; Pilgrim Hospital, Boston; Grantham and District Hospital, Grantham and Louth Hospital, Louth.

NHS Trusts are governed by Acts of Parliament, mainly the National Health Service Act 2006 as amended by the Health and Social Care Act 2012 and the functions of the Trust are conferred by this legislation.

As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.

The Trust has a duty to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals. The Board must also comply with the standard for members of NHS Board and CCG Governing Bodies in England 2012.

The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

#### **1.2 NHS Framework**

In addition to the statutory requirements the Secretary of State through the Department of Health and Social Care, NHS Improvement and NHS England, issues further directions and guidance. These are normally issued under cover of a circular or letter.

The NHS Code of Conduct & Accountability requires that, among other things, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior officers (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The NHS Code of Conduct & Accountability makes various requirements concerning possible conflicts of interest of Board Directors.

The Freedom of Information Act sets out the requirements for public access to information about the Trust's business.

#### **1.3 Delegation of Powers**

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated Powers are covered in the Scheme of Delegation and Reservation and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

## **1.4 NHS Board Governance**

NHS Trust Boards must put in place and maintain good corporate governance arrangements, integrated across the organisation and all aspects of governance. This will encompass corporate, financial, clinical, information and research governance. Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

## **2. THE TRUST BOARD**

### **2.1 Corporate role of the Board**

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

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

The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No.3.

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

### **2.2 Composition of the Membership of the Trust Board**

In accordance with the Membership and Procedure Regulations the composition of the Board shall be:

The Chair of the Trust (Appointed by NHS Improvement);

Up to 7 non- executive directors (appointed by NHS Improvement);

5 executive directors including:

- the Chief Executive;
- the Director of Finance and Digital;
- the Director of Nursing
- the Medical Director
- The Director of Improvement and Integration/ Deputy Chief Executive

The Trust currently operates with 5 Non-Executive Directors not the maximum of 7 allowed by the statutory instrument.

### **2.3 Appointment of Chair and Directors of the Trust**

The Chair and Directors of the Trust - are appointed by NHSI on behalf of the Secretary of State. The appointment and tenure of office of the Chair and Directors are set out in the Membership and Procedure Regulations.

### **2.5 Terms of Office of the Chair and Directors**

The regulations setting out the period of tenure of office of the Chair and directors and for the termination or suspension of office of the Chair and directors are contained in regulation 7 and regulations 8 and 9 of the Membership and Procedure Regulations, respectively.

## **2.6 Appointment and Powers of Vice-Chair**

Subject to Standing Order below, the Chair and directors of the Trust may appoint one of their numbers, who is not also an executive director, to be Vice-Chair, for such period, not exceeding the remainder of their term as a member of the Trust, as they may specify on appointing them.

Any director so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and directors may thereupon appoint another director as Vice-Chairman in accordance with the provisions of Standing Orders

Where the Chair of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chair owing to illness or any other cause, the Vice-Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Vice-Chair.

## **2.7 Joint Directors**

Where more than one person is appointed jointly to a post mentioned in regulation 2 of the Membership and Procedure Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.

## **2.8 Role of Directors**

The Board will function as a corporate decision-making body, executive and Non-executive directors will be full and equal directors. Their role as directors of the Board of Directors will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

### **(1) Executive Directors**

Executive Directors shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

### **(2) Chief Executive**

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He is the **Accountable Officer** for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives and other such requirements as determined by NHS Improvement.

### **(3) Director of Finance**

The Director of Finance shall be responsible for the provision of financial advice to the Trust and to its directors and for the supervision of financial control and accounting systems. They shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

### **(4) Non-Executive Directors**

The Non-Executive Directors shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They may however, exercise collective authority when acting as directors of or when chairing a committee of the Trust which has delegated powers.

(5) **Chair**

The Chair shall be responsible for the operation of the Board and chair all Board meetings when present. The Chair must comply with the terms of appointment and with these Standing Orders.

The Chair shall liaise with NHS Improvement over the appointment of Non-Executive Directors and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

The Chairman shall work closely with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

**2.9 Lead Roles for Board Directors**

The Chair will ensure that the designation of lead roles or appointments of Board Directors as required by the Department of Health and Social Care or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a Lead Board Director with responsibilities for Infection Control or Safeguarding etc.).

**3. MEETINGS OF THE TRUST BOARD**

**3.1 Admission of public and the press**

The public and representatives of the press may attend all meetings of the Trust, but shall be required to withdraw upon the Trust Board resolving as follows:

*A body may by resolution, exclude the public from a meeting (whether during the whole or part of the proceedings) wherever publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons stated in the resolution and arising from the nature of that business or of the proceedings; and where such a resolution is passed, this Act shall not require the meeting to be open to the public during proceedings to which the resolution applied. (Public Bodies (Admission to meetings) Act 1960.*

The Chair shall give such directions as they think fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Trust Board resolving as follows:

*That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public'. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960*

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted only upon resolution of the Trust.



### **3.2 Calling meetings**

Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.

The Chair of the Trust may call a meeting of the Board at any time.

One third or more directors of the Board may request a meeting in writing. If the Chair refuses, or fails, to call a meeting within seven days of a request being presented, the directors signing the request may forthwith call a meeting.

### **3.3 Notice of Meetings and the Business to be transacted**

Before each meeting of the Board a notice specifying the business proposed to be transacted shall be delivered to every director, so as to be available to them at least three clear days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf.

Want of service of such a notice on any director shall not affect the validity of a meeting.

In the case of a meeting called by directors in default of the Chair calling the meeting, the notice shall be signed by those directors.

No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.

Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

### **3.4 Chair of meeting**

At any meeting of the Trust Board the Chair, if present, shall preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.

If the Chair and Vice-Chair are absent, such director (who is not also an Executive Director of the Trust) as the directors present shall choose shall preside.

### **3.5 Chair's ruling**

The decision of the Chair of the meeting on questions of order, relevancy and regularity and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

### **3.6 Quorum**

No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and directors (including at least one director who is also an executive director of the and one non- executive director ) is present.

An Officer in attendance for an Executive Director but without written acting up status may not count towards the quorum.

If the Chairman or director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No.7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may

not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

### **3.7 Voting**

Every question at a meeting shall be determined by a majority of the votes of directors present and voting on the question. In the case of an equal vote, the person presiding (ie: the Chair of the meeting) shall have a second, and casting vote.

All questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.

If at least one third of the directors present so request, the voting on any question may be recorded so as to show how each director present voted or did not vote (except when conducted by paper ballot).

If a director so requests, their vote shall be recorded by name.

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

An Officer who has been formally appointed to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.

An Officer attending the Trust Board meeting to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An Officer's status when attending a meeting shall be recorded in the minutes.

### **3.8 Minutes**

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

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

### **3.9 Record of Attendance**

The names of the Chair and Directors present at the meeting shall be recorded in the minutes.

### **3.10 Annual Public Meeting**

The trust will publicise and hold an annual public meeting on or before 30<sup>th</sup> September in every year in accordance with the NHS Trusts (Public meeting) Regulations 1991 (SI 1991) 482.

### **3.11 Variation and amendment of Standing Orders**

These Standing Orders shall not be varied except in the following circumstances:

- that two thirds of the Board directors are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive directors vote in favour of the amendment;
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

### **3.12 Suspension of Standing Orders**

Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the directors of the Board are present (including at least one executive director of the Trust and one non-executive director) and that at least two-thirds of those directors present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.

- (ii) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and directors of the Trust.
- (iii) No formal business may be transacted while Standing Orders are suspended.
- (iv) Every decision to suspend standing orders shall be reported to the Audit Committee.

## **4. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION**

### **4.1 Delegation of Functions to Committees, Officers or other bodies**

Subject to regulation 17 and 18 of the Membership and Procedure Regulations, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, or sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

Regulation allows for the functions of NHS trusts to be carried out jointly with any other NHS body or other NHS trust, or any other third party.

### **4.2 Emergency Powers**

The powers which the Board has reserved to itself within these Standing Orders may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two non-executive directors. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

### **4.3 Unavailability of Chair/ Vice Chair**

In addition to the statutory power of the vice chair, if the chair is unavailable for whatever reason to transact the business of the Trust expressly or impliedly delegated to the chair, then, if so requested by the Chief Executive, the vice chair shall be empowered to act in the chair's place and to exercise all the powers and duties of the chair until the chair is again available.

If the vice chair is unavailable for whatever reason to transact the business of the Trust expressly or impliedly delegated to the vice chair, then if so requested by the chief executive in relation to any particular matter, any non-executive director shall be empowered to act in the vice chairs place and exercise all the powers and duties of the vice chair in relation to that matter.

#### **4.4 Delegation to Committees**

The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board.

The powers of such committees shall be limited to those set out in their terms of reference.

#### **4.5 Delegation to Officers**

Those functions of the Trust which have not been retained as reserved by the Board or delegated to a committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate officers to undertake the remaining functions for which he will still retain accountability to the Trust.

The Chief Executive shall prepare a Scheme of Delegation identifying his proposals which shall be considered and approved by the Board.

Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health and Social Care requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these Standing Orders.

#### **4.6 Non-compliance with Standing Orders and Standing Financial Instructions**

If for any reason these Standing Orders are not complied with, full details of the non-compliance and justification for non-compliance and the circumstances shall be reported to the next formal meeting of the Board for action or ratification. All directors of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive and Chair as soon as possible.

### **5. TRUST COMMITTEES**

#### **5.1 Appointment of Committees**

Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust.

The Trust shall determine the membership and terms of reference of committees and shall receive and consider reports from such committees.

#### **5.2 Applicability of Standing Orders and Standing Financial Instructions to Committees**

The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust. In which case the term "Chair" is to be read as a reference to the Chair of other committee as the context permits, and the term "member" is to

be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

### **5.3 Terms of Reference**

Each such committee shall have such terms of reference and powers and be subject to such conditions as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the Standing Orders.

### **5.4 Delegation of powers by Committees to Sub-Committees**

Where committees are authorised to establish groups they may not delegate executive powers to the group unless expressly authorised by the Trust Board.

### **5.5 Approval of Appointments to Committees**

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither directors nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

### **5.6 Appointments for Statutory functions**

Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.

### **5.7 Committees established by the Trust Board**

The committees established by the Board are as follows:

- Remuneration Committee
- Audit and Risk Committee
- Quality Governance Committee
- Finance, Performance and Estates Committee
- Workforce and OD Committee

## **6. RELATIONSHIP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS**

### **6.1 Policy statements: general principles**

The Trust Board will from time to time agree and approve policy statements/procedures which will apply to all or specific groups of staff employed by the Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

### **6.2 Specific Policy statements**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- the Standards of Business Conduct Policy for United Lincolnshire Hospitals NHS Trust staff;
- the staff Disciplinary and Appeals Procedures adopted by the Trust
- The Counter Fraud, Bribery and Corruption Policy

### **6.3 Standing Financial Instructions**

Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

### **6.4 Specific guidance**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with guidance and requirements issued by or on behalf of the Secretary of State for Health.

## **7. DUTIES AND OBLIGATIONS OF BOARD DIRECTORS AND UNDER THESE STANDING ORDERS**

### **7.1 Declaration of Interests**

All Board members and staff of the Trust are required to comply with the Standards of Business Conduct and Conflicts of Interest Policy. If Board directors have any doubt about the relevance of an interest they should discuss it with the chair or the Trust Secretary.

### **7.2 Recording of Interests in Trust Board minutes**

At the time Board directors' interests are declared, or updated, they should be recorded in the Trust Board minutes.

### **7.3 Publication of declared interests in Annual Report**

Board directors' declarations of interests will be published in the Trust's annual report.

### **7.4 Conflicts of interest which arise during the course of a meeting**

At the start of every Board meeting there will be an agenda item which invites Directors to declare whether they have any interests which might be relevant to any items of business on the agenda. Directors should declare all such interests whether or not they have already declared them for the register. If a conflict of interest is established, the Board director concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

### **7.5 Register of Interests**

The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board members.

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

## **7.6 Exclusion of Chairman and Directors in proceedings of the Board**

Subject to the following provisions of this Standing Order, if the Chair or a director of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed.

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

Any remuneration, compensation or allowance payable to the Chair or a Director by virtue of Schedule 5 of the National Health Service Act 1977 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.

This Standing Order applies to a committee as it applies to the Trust and applies to a member of any such committee (whether or not he/she is also a member of the Trust) as it applies to a director of the Trust.

## **7.7 Canvassing of and Recommendations by Directors in Relation to Appointments**

Canvassing of directors of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.

Directors of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

## **7.8 Relatives of Directors or Officers**

Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render them liable to instant dismissal.

The Chairman and every director and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that director or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.

On appointment, directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other director or holder of any office under the Trust.

## **8. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS**

### **8.1 Custody of Seal**

The common seal of the Trust shall be kept by the Chief Executive or a nominated Officer by him/her in a secure place.

### **8.2 Sealing of Documents**

Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of by the Chief Executive, and Chairman or named deputy, and shall be attested by them.

### **8.3 Register of Sealing**

The Chief Executive shall keep a register in which he/she, or another manager of the Authority authorised by him/her, shall enter a record of the sealing of every document. The register shall be reported to the Audit Committee.

### **8.4 Use of Seal – General guide**

The Seal shall be affixed in the following general circumstances;

- All contracts for the purchase/lease of land and/or building
- All contracts for capital works exceeding £250,000

This list is not exhaustive and further advice regarding the affixation of the Seal should be gained from the Trust Secretary or Director of Finance.

### **8.5 Signature of documents**

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

In the case of contracts for goods, works and services relating to non-pay expenditure officers should refer to Standing Financial Instructions.



## 9 SCHEME OF RESERVATION AND DELEGATION OF POWERS

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
SO 2.9 (1)	THE BOARD	<p><b>General Enabling Provision</b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p> <p>General Matters Reserved</p> <ol style="list-style-type: none"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>3. to appoint, appraise and remunerate senior executives and hold them to account;</li> <li>4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</li> <li>5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</li> <li>6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Regulations and Control</b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.2</li> <li>5. Approve a scheme of delegation of powers from the Board to committees.</li> <li>6. Require and receive the declaration of Board directors' interests that may conflict with those of the</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>Trust and determining the extent to which that director may remain involved with the matter under consideration.</p> <ol style="list-style-type: none"> <li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li> <li>8. Approve arrangements for dealing with complaints.</li> <li>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</li> <li>10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.</li> <li>11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</li> <li>12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.</li> <li>13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</li> <li>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property.</li> <li>15. Authorise use of the seal.</li> <li>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.</li> <li>17. Discipline directors of the Board or employees who are in breach of statutory requirements or SOs.</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Appointments/ Dismissal</b></p> <ol style="list-style-type: none"> <li>1. Appoint the Vice Chairman of the Board.</li> <li>2. Appoint and dismiss committees (and individual directors) that are directly accountable to the Board.</li> <li>3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2).</li> <li>4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</li> <li>5. Appoint, appraise, discipline and dismiss the Secretary to the Board.</li> <li>6. Approve proposals of the Remuneration Committee regarding appropriate remuneration and terms of service for the Chief Executive and other Directors.</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the Trust.</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<ol style="list-style-type: none"> <li>2. Approve proposals for ensuring quality and clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.</li> <li>3. Approve the Trust's policies and procedures for the management of risk.</li> <li>4. Approve Outline and Final Business Cases for Capital Investment in excess of £1,000,000</li> <li>5. Approve budgets.</li> <li>6. Approve annually the Trust's proposed organisational development proposals.</li> <li>7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>8. Approve PFI proposals.</li> <li>9. Approve the opening of bank accounts.</li> <li>10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £1,000,000 over a 3 year period or the period of the contract if longer.</li> <li>11. Approve individual compensation payments.</li> <li>12. Approve proposals for action on litigation against or on behalf of the Trust.</li> <li>13. Review use of NHS Resolution risk pooling schemes (LPST/CNST/RPST).</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Policy Determination</b></p> <ol style="list-style-type: none"> <li>1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff. No planned changes made here until revised process finalised</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Audit</b></p> <ol style="list-style-type: none"> <li>1 Approve the appointment (and where necessary dismissal) of External Auditors on the advice of the Audit Panel.</li> <li>2. Receive the annual management letter from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.</li> <li>3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</li> </ol>
SO 2.9 (1)	THE BOARD	<p><b>Annual Reports and Accounts</b></p> <ol style="list-style-type: none"> <li>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</li> <li>2. Receipt and approval of the Annual Report and Accounts for funds held on trust.</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
SO 2.9 (1)	THE BOARD	<p><b>Monitoring</b></p> <ol style="list-style-type: none"> <li>1. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</li> <li>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements.</li> <li>3. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.</li> <li>4. Receive reports from Director of Finance &amp; Digital on financial performance against budget and annual plan.</li> <li>5. Receive reports from Director of Finance &amp; Digital on actual and forecast income from contracts.</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 11.1.1 and SO 4.8	AUDIT COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board on internal and external audit services;</li> <li>2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;</li> <li>3. Monitor compliance with Standing Orders and Standing Financial Instructions;</li> <li>4. Review schedules of losses and compensations and making recommendations to the Board.</li> <li>5. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board.</li> <li>6. Review the annual financial statements prior to submission to the Board.</li> <li>7. Other duties as set out within the Audit Committee Handbook and its Terms of Reference.</li> </ol>
SFI 20.1.1 and SO 4.8	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Decide on the appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff. Aspects to include: <ul style="list-style-type: none"> <li>• Salary (including any performance-related elements/bonuses);</li> <li>• Provisions for other benefits, including pensions and cars;</li> <li>• Arrangements for termination of employment and other contractual terms; advise on and oversee appropriate contractual arrangements for such staff;</li> </ul> </li> <li>2. Proper calculation and scrutiny of any termination payments taking account of such national guidance as is appropriate.</li> </ol> <p>The Committee shall report in writing to the Board the basis for its recommendations.</p>
SO 4.8	QUALITY GOVERNANCE COMMITTEE	<p>The core duties of the Committee are as follows:</p> <ol style="list-style-type: none"> <li>1. Be assured that there are robust processes in place for the effective management of Quality</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>Governance including patient experience and safeguarding</p> <ol style="list-style-type: none"> <li>2. Scrutinise structures in place to support Quality Governance, to be assured that the structures operate effectively and action is taken to address areas of concern.</li> <li>3. Agree the key priorities that are included within the Trust's Quality Strategy</li> <li>4. Oversee and monitor delivery of the key priorities of the Quality Strategy</li> <li>5. Oversee and monitor the delivery of the Clinical Strategy</li> <li>6. Oversee and monitor delivery of the relevant elements of the Annual Plan</li> <li>7. Oversee and monitor the implementation of the following enabling strategies: <ul style="list-style-type: none"> <li>• Research Strategy</li> <li>• Inclusion Strategy (as it applies to patients)</li> </ul> </li> <li>8. Oversee production of the Quality Account and monitor delivery against the quality improvement priorities</li> <li>9. Review and monitor those risks on the Corporate Risk Register which relate to quality and high risk operational risks which could impact on patient care and ensure the Board is kept informed of significant risks and mitigation plans, in a timely manner.</li> <li>10. Oversee and scrutinise the Trust's response to all relevant (as applicable to quality) Directives, Regulations, national standard, policies, reports, reviews and best practice as issued by the Department of Health, NHS Improvement and other regulatory bodies / external agencies (e.g. Care Quality Commission, NICE) to gain assurance that they are appropriately reviewed and actions are being undertaken and embedded.</li> <li>11. Oversee and seek assurance on delivery of the Trust's Quality and Safety Improvement Programme.</li> <li>12. Ensure that mechanisms are in place throughout the organisation to review and monitor the effectiveness of the quality of care.</li> <li>13. Seek assurance that an appropriate quality impact assessment process is in place and scrutinise and challenge outcomes on behalf of the Board.</li> <li>14. Receive assurance that the Trust identifies lessons learned from all relevant sources, including, incidents, never events, complaints and claims and ensures that learning is disseminated and embedded.</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>15. Receive assurance on performance against all quality standards contained within NHS Standard Contracts and CQUIN.</p> <p>16. Receive assurance that the Trust has effective and transparent mechanisms in place to monitor mortality.</p> <p>17. To be assured that the views of users and carers are systematically and effectively engaged in clinical quality activities.</p> <p>18. To approve corporate policies relevant to Quality Governance</p> <p>19. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for safeguarding adults and children.</p> <p>20. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for infection prevention and control.</p> <p>21. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for equality and diversity as it applies to patients.</p> <p>22. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for medicines optimisation and safety</p> <p>23. Have oversight of and approve the terms of reference and work programmes for the Quality and Safety Oversight Group (QSOG).</p> <p>1.</p>
SO 4.8	FINANCE, PERFORMANCE AND ESTATES COMMITTEE	<p>The Core duties of the Committee are as follows:</p> <p>24. Seek assurance that there are robust processes in place for the effective management of Finance, Operational Performance, Estates and Digital Services</p> <p>25. Scrutinise structures and processes in place to support finance, operational performance, estates and digital services to be assured that the structures and processes operate effectively and action is taken to address areas of concern.</p> <p>26. Oversee and monitor delivery of the:</p> <ul style="list-style-type: none"> <li>• Financial Strategy</li> <li>• Annual Plan Estates Strategy</li> </ul>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> <li>• Digital Strategy</li> <li>• Information Strategy</li> </ul> <p>27. Review and monitor those risks on the Corporate Risk Register and high risk operational risks which relate to finance, operational performance, estates and digital services and ensure the Board is kept informed of significant risks and mitigation plans, in a timely manner.</p> <p>28. Oversee and scrutinise the Trusts response to all relevant (as applicable to finance, operational performance, estates and digital services) Directives, Regulations, national standards, policies, reports, reviews and best practice as issued by the Department of Health and Social Care, NHS Improvement, NHS Digital and other regulatory bodies / external agencies to gain assurance that they are appropriately reviewed and actions are being undertaken and embedded.</p> <p>29. Oversee and seek assurance on delivery of the Trust's Financial Recovery Plan</p> <p>30. Ensure that mechanisms are in place to review and monitor capital investment plans and delivery.</p> <p>31. Receive assurance that the Trust has effective and transparent mechanisms in place to deliver the its financial duties.</p> <p>32. Receive assurance that the Trust has effective and transparent mechanisms in place to monitor operational performance.</p> <p>33. To approve corporate policies relevant to finance, operational performance, estates and digital services</p> <p>34. Scrutinise the robustness of the arrangements for and assure compliance with the Trusts statutory responsibilities for:</p> <ul style="list-style-type: none"> <li>a. Finance</li> <li>b. Health and Safety</li> <li>c. Information governance</li> <li>d. Emergency Planning</li> <li>e. The Estate</li> <li>f. Performance</li> <li>g. Digital</li> </ul> <p>35. Have oversight of and approve the terms of reference and work programmes for the Estates</p>



REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>Group, Health and Safety Group, Emergency Planning Group, Information Governance Group, Digital Group and Financial Turnaround Group.</p> <p>1.</p>
		<p>1.</p>
SO 4.8	<p>WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE</p>	<p>The core duties of the Committee are as follows:</p> <p>36. Be assured that there are robust processes in place for the effective management of Workforce and Organisational Development</p> <p>37. Scrutinise structures in place to support workforce and organisational development to be assured that the structures operate effectively and action is taken to address areas of concern.</p> <p>38. Oversee and monitor delivery of the relevant elements of the Annual Plan</p> <p>39. Oversee and monitor implementation of the following enabling strategies:</p> <ul style="list-style-type: none"> <li>• Inclusion Strategy</li> <li>• People Strategy</li> </ul> <p>40. Review and monitor those risks on the Corporate Risk Register and high risk operational risks which relate to workforce and organisational development and ensure the Board is kept informed of significant risks and mitigation plans, in a timely manner.</p> <p>41. Oversee and scrutinise the Trust's response to all relevant (as applicable to workforce and organisational development) Directives, Regulations, national standard, policies, reports, reviews and best practice as issued by the Department of Health, NHS Improvement and other regulatory bodies / external agencies to gain assurance that they are appropriately reviewed and actions are being undertaken and embedded.</p> <p>42. Oversee and seek assurance on delivery of the Trust's Agency Reduction Plan</p> <p>43. Receive assurance on delivery of appropriate workforce training and development</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>44. Receive assurance that the Trust has effective and transparent mechanisms in place to monitor workforce and organisational development performance.</p> <p>45. To be assured that there is appropriate staff engagement to ensure the morale and views of staff are captured, understood and responded to.</p> <p>46. To approve corporate policies relevant to Workforce and Organisational Development</p> <p>47. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for equality and diversity.</p> <p>48. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for staff health and wellbeing.</p> <p>49. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for safe working for junior doctors.</p> <p>50. Scrutinise the robustness of the arrangements for and assure compliance with the Trust's statutory responsibilities for freedom to speak up.</p> <p>51. Have oversight of and approve the terms of reference and work programmes for the Equality, Diversity and Inclusion Group.</p> <p>52. Have oversight of and approve the terms of reference and work programmes for the Workforce Strategy Group</p>
SO 4.8	CHARITABLE FUNDS COMMITTEE	<p>The Committee will:</p> <ul style="list-style-type: none"> <li>• administer those charitable funds received by the Trust in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.</li> <li>• advise the board in relation to the discharge of the Trust's duties with respect to the above.</li> </ul>

REF	DELEGATED TO	DUTIES DELEGATED
7	CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
9	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE & DIGITAL	Ensure the accounts of the Trust are prepared under principles and in a format directed by the SofS. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
10	CHIEF EXECUTIVE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
12 & 13	CHIEF EXECUTIVE	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> <li>• have a clear view of their objectives and the means to assess achievements in relation to those objectives</li> <li>• be assigned well defined responsibilities for making best use of resources</li> <li>• have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”</li> </ul>
12	CHAIR	Implement requirements of corporate governance.
13	CHIEF EXECUTIVE	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the National Audit Office (NAO).
15	DIRECTOR OF FINANCE & DIGITAL	Operational responsibility for effective and sound financial management and information.
15	CHIEF EXECUTIVE	Primary duty to see that Director of Finance & Digital discharges this function.
16	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.

REF	DELEGATED TO	DUTIES DELEGATED
18	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE & DIGITAL	Chief Executive, supported by Director of Finance & Digital, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	CHIEF EXECUTIVE	If CE considers the Board or Chair is doing something that might infringe probity or regularity, he should set this out in writing to the Chair and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary the NHS Improvement and Department of Health.
20	CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the NHS Improvement and the DH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.3.1.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to the NHS Code of Conduct & Accountability.
1.3.2.4	BOARD	Board directors share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE DIRECTORS	Chair and non-executive directors are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	BOARD	The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State: <ul style="list-style-type: none"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> </ul>

		<ol style="list-style-type: none"> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>3. to appoint, appraise and remunerate senior executives;</li> <li>4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</li> <li>5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</li> <li>6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.</li> </ol>
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> <li>1. act within statutory financial and other constraints;</li> <li>2. 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 these,</li> <li>3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;</li> <li>4. establish performance and quality measures that maintain the effective use of resources and provide value for money;</li> <li>5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;</li> <li>6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.</li> </ol>
1.3.2.5	CHAIR	<ol style="list-style-type: none"> <li>1. provide leadership to the Board;</li> <li>2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>3. ensure that key and appropriate issues are discussed by the Board in a timely manner,</li> <li>4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members;</li> <li>6. appoint Non-Executive Board members to an Audit Committee and other Committees of the main</li> </ol>

		Board; 7. advise the Secretary of State on the performance of Non-Executive Board members.
1.3.2.5	CHIEF EXECUTIVE	The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its 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 in fulfilling the decisions of the Board. The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.
1.3.2.6	NON-EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by the Trust Development Authority to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.
1.3.2.8	CHAIR AND DIRECTORS	Completion of their entry on the Trust's Register of Interest and prompt declaration of conflict of interest which may arise during the course of their duties for the Trust.
1.3.2.9	BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

<b>SO REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.1	CHAIR	Final authority in interpretation of Standing Orders (SOs).
2.4	BOARD	Appointment of Vice Chairman
3.1	CHAIR	Call meetings.
3.9	CHAIR	Chair all Board meetings and associated responsibilities.
3.10	CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	CHAIR	Having a second or casting vote
3.13	BOARD	Suspension of Standing Orders
3.13	AUDIT COMMITTEE	Audit Committee to be notified of every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.14	BOARD	Variation or amendment of Standing Orders.
4.1	BOARD	Formal delegation of powers to committees, sub-committees or joint committees and approval of their constitution and terms of reference.
5.2	CHAIR & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.4	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	THE BOARD	Declare relevant and material interests.
7.2	CHIEF EXECUTIVE	Maintain Register(s) of Interests.

<b>SO REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
7.4	ALL STAFF	Comply with the Department of Health's "Standards of Business Conduct for NHS Staff" and Trust policy.
7.4	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
8.1/8.3	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
8.4	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

\* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.



<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
10.1.3	DIRECTOR OF FINANCE & DIGITAL	Approval of all financial procedures.
10.1.4	DIRECTOR OF FINANCE & DIGITAL	Advice on interpretation or application of SFIs.
10.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance & Digital as soon as possible.
10.2.4	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.4	CHIEF EXECUTIVE & DIRECTOR OF FINANCE & DIGITAL	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.5	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.6	DIRECTOR OF FINANCE & DIGITAL	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
10.2.7	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
10.2.8	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
		requirement to comply.
11.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
11.1.2	CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
11.1.3 & 11.2.1	DIRECTOR OF FINANCE & DIGITAL	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
11.2.1	DIRECTOR OF FINANCE & DIGITAL	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
11.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
11.4	AUDIT COMMITTEE	Ensure cost-effective External Audit.
11.5	DIRECTOR OF FINANCE & DIGITAL	Monitor and ensure compliance with SofS Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
11.6	DIRECTOR OF ESTATES & FACILITIES	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
13.1.1	CHIEF EXECUTIVE	Compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain: <ul style="list-style-type: none"> <li>• a statement of the significant assumptions on which the plan is based;</li> <li>• details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>
13.1.2 & 13.1.3	DIRECTOR OF FINANCE & DIGITAL	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
13.1.6	DIRECTOR OF FINANCE & DIGITAL	Ensure adequate training is delivered on an ongoing basis to budget holders.
13.3.1	CHIEF EXECUTIVE	Delegate budget to budget holders.
13.3.2	CHIEF EXECUTIVE &	Must not exceed the budgetary total or virement limits set by the Board.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
	BUDGET HOLDERS	
13.4.1	DIRECTOR OF FINANCE & DIGITAL	Devise and maintain systems of budgetary control.
13.4.2	BUDGET HOLDERS	Ensure that a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
13.4.3	BUDGET HOLDERS	Identify and implement cost improvements and income generation activities in line with the Annual plan
13.6.1	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE & DIGITAL	Submit monitoring returns
14.1	DIRECTOR OF FINANCE & DIGITAL	Preparation of annual accounts and reports.
15.1	DIRECTOR OF FINANCE & DIGITAL	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.  (Board approves arrangements.)
16.	DIRECTOR OF FINANCE & DIGITAL	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.3	ALL EMPLOYEES	Duty to inform Director of Finance & Digital of money due from transactions which they initiate/deal with.
17.	CHIEF EXECUTIVE	Tendering and contract procedure.
17.5.3	CHIEF EXECUTIVE	Waive formal tendering procedures.
17.5.3	CHIEF EXECUTIVE	Report waivers of tendering procedures to the Board.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
17.5.5	DIRECTOR OF FINANCE & DIGITAL	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the CE.
17.6.2	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders.
17.6.3	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations dispatched.
17.6.4	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE & DIGITAL	Assess for value for money and fair price in circumstances where one bid is received against a tender.
17.6.6	CHIEF EXECUTIVE	Consideration and authorisation, as appropriate, of a tender which commits expenditure in excess of that which has been allocated by the Trust.
17.6.8	DIRECTOR OF ESTATES AND FACILITIES	Will appoint a manager to maintain a list of approved firms.
17.6.9	CHIEF EXECUTIVE	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
17.7.2	CHIEF EXECUTIVE	Responsibility to ensure they, or their nominated deputy, award tenders in accordance with Trust procedures.
17.10	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
17.10	Board	Approval of all PFI proposals
17.11	CHIEF EXECUTIVE	Nomination of an officer to oversee and manage each contract on behalf of the Trust.
17.12	CHIEF EXECUTIVE	Nomination of officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.15	CHIEF EXECUTIVE	Ensure that best value for money can be demonstrated for all services provided on an in-house basis.
17.15.5	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
18.1.1	CHIEF EXECUTIVE	Ensure that the Trust enters into suitable contracts with service commissioners for the provision of NHS services
18.3	CHIEF EXECUTIVE	Ensure that regular reports are provided to the Board detailing actual and forecast income from contracts
20.1.1	BOARD	Establish a Remuneration & Terms of Service Committee
20.1.2	REMUNERATION COMMITTEE	Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements; Monitor and evaluate the performance of individual senior employees; Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
20.1.3	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
20.1.4	BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
20.2.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
20.3	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
20.10.1 and 20.10.2	DIRECTOR OF FINANCE & DIGITAL	Payroll: a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 10.4.2).
20.10.3	NOMINATED MANAGERS*	Submit time records in line with timetable. Complete time records and other notifications in required form. Submitting termination forms in prescribed form and on time.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
20.10.5	DIRECTOR OF FINANCE & DIGITAL	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
20.5	NOMINATED MANAGER*	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and deal with variations to, or termination of, contracts of employment.
21.1	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
21.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
21.2.1	REQUISITIONER*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
21.2.2	DIRECTOR OF FINANCE & DIGITAL	Shall be responsible for the prompt payment of accounts and claims.
21.2.3	DIRECTOR OF FINANCE & DIGITAL	<ul style="list-style-type: none"> <li>a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</li> <li>b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</li> <li>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</li> <li>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</li> <li>e) A timetable and system for submission of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</li> <li>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</li> <li>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</li> </ul>

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
21.2.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to the Director of Finance & Digital to support the need for a prepayment.
21.2.4	DIRECTOR OF FINANCE & DIGITAL	Approve proposed prepayment arrangements.
21.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform Director of Finance & Digital if problems are encountered).
21.2.5	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
21.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
21.2.7	CHIEF EXECUTIVE DIRECTOR OF FINANCE & DIGITAL	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
22.1.1	DIRECTOR OF FINANCE & DIGITAL	The Director of Finance & Digital will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
22.1.2	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and Director of Finance.)
22.1.3	DIRECTOR OF FINANCE & DIGITAL	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
22.1.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE & DIGITAL	Be on an authorising panel comprising one other member for short term borrowing approval.
22.2.2	DIRECTOR OF FINANCE & DIGITAL	Will advise the Board on investments and report, periodically, on performance of same.
22.2.3	DIRECTOR OF FINANCE & DIGITAL	Prepare detailed procedural instructions on the operation of investments held.
23	DIRECTOR OF FINANCE &	Ensure that Board members are aware of the Financial Framework and ensure compliance

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
	DIGITAL	
24.1.1 & 2	CHIEF EXECUTIVE	Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
24.1.2	DIRECTOR OF FINANCE & DIGITAL	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
24.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
24.1.4	DIRECTOR OF FINANCE & DIGITAL	Assess the requirement for the operation of the construction industry taxation deduction scheme.
24.1.5	DIRECTOR OF FINANCE & DIGITAL	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
24.1.6	CHIEF EXECUTIVE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
24.1.7	DIRECTOR OF FINANCE & DIGITAL	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
24.2.1	DIRECTOR OF FINANCE & DIGITAL	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
24.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
24.3.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from Director of Finance & Digital).



<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
24.3.5	DIRECTOR OF FINANCE & DIGITAL	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
24.3.8	DIRECTOR OF FINANCE & DIGITAL	Calculate and pay capital charges in accordance with Department of Health requirements.
24.4.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
24.4.2	DIRECTOR OF FINANCE & DIGITAL	Approval of fixed asset control procedures.
24.4.4	BOARD MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to Director of Finance & Digital, and reporting losses in accordance with Trust procedure.
25.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to Director of Finance & Digital responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
25.2	DIRECTOR OF FINANCE & DIGITAL	Responsible for systems of control over stores and receipt of goods.
25.2	CHIEF PHARMACIST	Responsible for controls of pharmaceutical stocks
25.2	DIRECTOR OF ESTATES AND FACILITIES	Responsible for control of stocks of fuel oil and coal.
25.2	NOMINATED OFFICERS*	Security arrangements and custody of keys
25.2	DIRECTOR OF FINANCE & DIGITAL	Set out procedures and systems to regulate the stores.
25.2	DIRECTOR OF FINANCE & DIGITAL	Agree stocktaking arrangements.
25.2	DIRECTOR OF FINANCE & DIGITAL	Approve alternative arrangements where a complete system of stores control is not justified.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
25.2	DIRECTOR OF FINANCE & DIGITAL	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
25.2	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to Director of Finance & Digital evidence of significant overstocking.
25.3.1	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
26.1.1	DIRECTOR OF FINANCE & DIGITAL	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
26.2.1	DIRECTOR OF FINANCE & DIGITAL	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
26.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and Director of Finance & Digital.
26.2.2	DIRECTOR OF FINANCE & DIGITAL	Where a criminal offence is suspected, Director of Finance & Digital must inform the police if theft or arson is involved. In cases of fraud and corruption Director of Finance & Digital must inform the relevant LCFS and Regional Team in line with SoS directions.
26.2.2	DIRECTOR OF FINANCE & DIGITAL	Notify and External Audit of all prima facie or actual acts of fraud.
26.2.3	DIRECTOR OF FINANCE & DIGITAL	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
26.2.4	AUDIT COMMITTEE	Approve write off of losses (within limits delegated by DH).
26.2.6	DIRECTOR OF FINANCE & DIGITAL	Consider whether any insurance claim can be made.
26.2.7	DIRECTOR OF FINANCE & DIGITAL	Maintain losses and special payments register.
27.1	DIRECTOR OF FINANCE &	Responsible for accuracy and security of computerised financial data.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
	DIGITAL	
27.1	DIRECTOR OF FINANCE & DIGITAL	Be satisfied that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
27.1.3	TRUST SECRETARY	Shall publish and maintain a Freedom of Information Publication Scheme.
27.2.1	RELEVANT OFFICERS	Send proposals for general computer systems to Director of Finance & Digital
27.3	DIRECTOR OF FINANCE & DIGITAL	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.  Seek adequate assurances from the provider that appropriate controls are in operation.
27.4	DIRECTOR OF FINANCE & DIGITAL	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
27.5	DIRECTOR OF FINANCE & DIGITAL	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) Director of Finance & Digital and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
28.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
28.3	DIRECTOR OF FINANCE & DIGITAL	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.
28.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
29.1	DIRECTOR OF FINANCE &	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
	DIGITAL	
30	DIRECTOR OF FINANCE & DIGITAL	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
32	CHIEF EXECUTIVE	Retention of document procedures in accordance with HSC 1999/053.
33.1	CHIEF EXECUTIVE	Risk management programme.
33.1	BOARD & ALL COMMITTEES	Approve and monitor risk management programme.
33.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Resolution or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
33.4	DIRECTOR OF FINANCE & DIGITAL	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Resolution the Director of Finance &amp; Digital shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance &amp; Digital shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for any one or other of the risks covered by the schemes, the Director of Finance &amp; Digital shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance &amp; Digital will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
33.4	DIRECTOR OF FINANCE & DIGITAL	Ensure documented procedures cover management of claims and payments below the deductible.

\* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

## STANDING FINANCIAL INSTRUCTIONS

### 10. INTRODUCTION

#### 10.1 General

10.1.1 The Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).

10.1.2 These Standing Financial Instructions (SFIs) are issued in accordance with the Financial Directions issued by the Secretary of State for Health under the provisions of Section 99 (3), 97 (A) (4) and (7) and 97 (AA) of the National Health Service Act 1977 for the regulation of the conduct of the Trust in relation to all financial matters. The Code of Accountability requires that the Trust shall give, and may vary or revoke Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the Code.

These Standing Financial Instructions shall have effect as if incorporated in the Standing Orders (SOs)

All directors and all members of staff should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfil the dual role of protecting the Trust's interests and protecting the staff from any possible accusation that they have acted improperly.

10.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.

10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.

10.1.5 The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

10.1.6 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.

#### 10.2 Responsibilities and delegation

##### 10.2.1 The Trust Board

The Board exercises financial supervision and control by:

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

10.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out within the Scheme of Delegation. All other powers have been delegated to such other committees as the Trust has established.

### 10.2.3 **The Chief Executive and Director of Finance**

The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

10.2.4 It is a duty of the Chief Executive to ensure that Members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

### 10.2.5 **The Director of Finance**

The Director of Finance is responsible for:

- (a) ensuring that the Standing Financial Instructions are maintained and regularly reviewed.
- (b) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- (c) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (d) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

Without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Director of Finance include:

- (e) the provision of financial advice to other members of the Board and employees;

- (f) the design, implementation and supervision of systems of internal financial control;
- (g) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

#### 10.2.6 **Board Members and All Employees**

All members of the Board and employees, severally and collectively, are responsible for:

- (a) the security of the property of the Trust;
- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources;
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

#### 10.2.7 **Contractors and their employees**

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

10.2.8 For any and all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and employees discharge their duties must be to the satisfaction of the Director of Finance.

## 11. **AUDIT**

### 11.1 **Audit Committee**

11.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit Committee, with clearly defined terms of reference (based on those contained in the latest NHS Audit Committee Handbook), which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (c) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the Board;
- (f) Reviewing the arrangements in place to support the Board Assurance

Framework process prepared on behalf of the Board and advising the Board accordingly.

- 11.1.2 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally the Director of Finance may be instructed to refer the matter to the Department of Health and Social Care. Matters pertaining to fraud, bribery and/or corruption must be reported to the Local Counter Fraud Specialist (LCFS) for investigation in accordance with the Trust's Local Counter Fraud, Bribery and Corruption Policy and Response Plan.
- 11.1.3 The Minutes of Audit Committee meetings shall be formally recorded and an upward report submitted to the Board.

## **11.2 Director of Finance**

- 11.2.1 It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided. The Audit Committee shall be advised of the selection process and appointment when / if an Internal Audit service provider is changed.
- 11.2.2 The Director of Finance is responsible for:
- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
  - (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
  - (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
  - (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
    - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care including for example compliance with control criteria and standards;
    - (ii) major internal financial control weaknesses discovered;
    - (iii) progress on the implementation of internal audit recommendations;
    - (iv) progress against plan over the previous year;
    - (v) strategic audit plan covering the coming three years;
    - (vi) a detailed plan for the coming year.
- 11.2.2 The Director of Finance or designated auditors and LCFS are entitled (without necessarily giving prior notice) to require and receive:
- (a) access to all records, documents and correspondence and data relating to any financial or other relevant transactions, including documents of a confidential nature;
  - (b) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
  - (c) the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
  - (d) explanations concerning any matter under investigation.



11.2.3 The Trust's Chief Executive and Director of Finance are responsible for ensuring that access rights are given to NHS Counter Fraud Authority (NHSCFA) where necessary for the prevention, detection and investigation of cases of fraud, bribery and corruption, in accordance with NHSCFA Provider Standards.

### **11.3 Role of Internal Audit**

11.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - (i) fraud and other offences;
  - (ii) waste, extravagance, inefficient administration;
  - (iii) poor value for money or other causes.
- (e) Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health and Social Care.

11.3.2 Whenever any matter arises which involves, or is thought to involve, fraud, bribery or corruption, the matter must be reported to the LCFS, in accordance with the Trust's Local Counter Fraud, Bribery and Corruption Policy and Response Plan. All other irregularities, or suspected irregularities, concerning cash, stores, or other property of the Trust, or the exercise of any function of a pecuniary nature, must be notified to the Director of Finance immediately.

11.3.3 The Chief Internal Auditor will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of the Trust.

11.3.4 The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system 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 Standards. The reporting system shall be reviewed at least every three years.

11.3.5 Internal Audit terms of reference shall have effect as if incorporated within these Standing Financial Instructions. The terms of reference cover the scope of internal audit work, authority and independence, management responsibilities, co-ordination of assurance work, reporting and key outputs and the operational responsibilities.

### **11.4 External Audit**

11.4.1 The External Auditor is appointed and paid for by the Trust. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor.

### **11.5 Fraud Bribery and Corruption**

- 11.5.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with the NHS Standard contract Service Condition 24 to put in place and maintain appropriate anti-fraud, bribery and corruption arrangements, having regard to the NHS Counter Fraud Authority standards.
- 11.5.2 The Director of Finance is the executive board member responsible for countering fraud, bribery and corruption in the Trust.
- 11.5.3 The Trust shall nominate a professionally accredited Local Counter Fraud Specialist ("LCFS"), to conduct the full range of anti-fraud, bribery and corruption work on behalf of the Trust as specified in the NHS Counter Fraud Authority (NHSCFA) Counter Fraud Standards.
- 11.5.4 The LCFS shall report to the Director of Finance and shall work with staff in the NHS Counter Fraud Authority (NHSCFA) in accordance with the NHS Counter Fraud Authority Counter Fraud Standards, the NHS Counter Fraud manual and the NHSCFA's Investigation Case File Toolkit.
- 11.5.6 If it is considered that evidence of offences exists and that a prosecution is desirable, the LCFS will consult with the Director of Finance to obtain the necessary authority and agree the appropriate route for pursuing any action e.g. referral to the police or NHSCFA.
- 11.5.7 The LCFS will at least annually provide a written report to the Audit Committee on anti-fraud, bribery and corruption work within the Trust.
- 11.5.8 The LCFS will ensure that measures to mitigate identified risks are included in an organisational work plan which ensures that an appropriate level of resource is available to the level of any risks identified. Work will be monitored by the Director of Finance and outcomes fed back to the Audit Committee.
- 11.5.9 The Trust shall have a whistle-blowing mechanism to report any suspected or actual fraud, bribery or corruption concerns and internally publicise this, together with the NHSCFA's national fraud and corruption reporting line and online referral form.
- 11.5.10 The Trust will report annually on how it has met the standards set by the NHS Counter Fraud Authority in relation to anti-fraud, bribery and corruption work and the Director of Finance shall sign-off the annual self-review and authorise its submission to the NHS Counter Fraud Authority.  
The Director of Finance shall sign-off qualitative assessments (in years when this assessment is required) and submit it to the relevant authority.

## **11.6 Security Management**

- 11.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.
- 11.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management.
- 11.6.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Director of Estates and Facilities and the appointed Local Security Management Specialist (LSMS).

## **12. RESOURCE LIMIT CONTROL**

Not applicable to NHS Trusts.

## **13. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **13.1 Preparation and Approval of Plans and Budgets**

- 13.1.1 The Chief Executive will prepare annually, a statement of strategic direction for approval by the Board of Directors.
- 13.1.2 The Chief Executive will submit to the Board of Directors an annual business plan (the "Annual Plan") which takes into account financial targets and forecast limits of available resources. The annual plan will contain:
  - (a) a statement of the significant assumptions on which the plan is based;
  - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.

In preparing the Annual Plan the Trust should ensure:

- (a) financial performance measures have been defined and will be monitored;
  - (b) reasonable targets have been identified for these measures;
  - (c) a robust system is in place for managing performance against the targets;
  - (d) reporting lines are in place to ensure overall performance is managed;
  - (e) arrangements are in place to manage/respond to adverse performance.
- 13.1.3 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit a financial plan and associated income & expenditure budget to the Board for approval. The plan will contain:
    - (a) a statement of any significant assumptions on which the plan is based and an assessment as to whether they are realistic;
    - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.

The budget will:

- (a) be in accordance with the aims and objectives set out in the Annual Plan and long term financial model;
  - (b) accord with activity and manpower plans;
  - (c) be produced following discussion with appropriate budget holders;
  - (d) be prepared within the limits of available income;
  - (e) identify potential risks.
- 13.1.4 The Director of Finance shall monitor financial performance against budget and Annual Plan, periodically review them, and report regularly to the Board.
- 13.1.5 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled and financial performance against budgets to be monitored.
- 13.1.6 All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 13.1.7 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage budgets successfully.

### **13.2 Budgetary Delegation**

- 13.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities.
- This will be achieved through the approval by the Chief Executive of the Executive Devolution Policy setting out Delegation of authority and decision-making power to Corporate Directorates and Divisions, This policy will provide for differential levels of delegated authority dependent upon the Performance of the Directorate or Division.
- 13.2.2 Subject to any specific provisions arising from a particular set of circumstances, Budgets shall be delegated as far as possible to the lowest level consistent with effective operational management.
- 13.2.3 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 13.2.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 13.2.5 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.
- 13.2.6 All Business Cases will be approved in accordance with the authority set out in Investment Appraisal Framework and Scheme of Reservation and Delegation of Powers to the Board.

### **13.3 Budgetary Control and Reporting**

- 13.3.1 The Director of Finance will devise and maintain systems of budgetary control. All managers whom the Trust may empower to engage staff or otherwise incur expenditure, collect or generate income, shall comply with the requirements of those systems.

The Director of Finance shall also be responsible for providing budgetary information and advice to enable the Chief Executive and other operational managers to carry out their budgetary responsibilities and issue to all relevant staff, rules and procedures governing the operation of Budgets.

13.3.2 The Director of Finance is responsible for presenting financial reports to the Board giving details of underlying performance, financial efficiency, liquidity and achievement of plan, as well as details of the overall financial risk ratings score.

- (a) Monthly financial reports in a form approved by the Board will contain as a minimum:
  - (i) income and expenditure to date showing trends and forecast year-end position;
  - (ii) progress against the efficiency / savings programme
  - (iii) summary cash flow and balance sheet including a forecast year-end position;
  - (iv) details of new cash borrowings in month and cumulative debt levels
  - (v) movements in working capital;
  - (vi) External Financial Limit (EFL) target and performance against Capital Resource Limit (CRL)
  - (vii) capital project spend and projected outturn against plan;
  - (viii) explanations of any material variances from plan;
  - (ix) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance' view of whether such actions are sufficient to correct the situation;
  - (x) monitoring of management action to correct variances;
  - (xi) Performance against risk assurance metrics

13.3.3 The Director of Finance is responsible for the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;

13.3.4 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of a member of the Executive Team;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.
- (d) No temporary employees are appointed which would lead to an overspend on the delegated budget without approval of the Chief Executive.
- (e) The systems of budgetary control established by the Director of Finance are complied with fully.
- (f) cost improvements, productivity, efficiency and income generation initiatives are identified and implemented in accordance with the requirements of the Annual Plan

13.3.5 The Chief Executive may delegate the responsibility for identifying and implementing cost improvements and income generation initiatives to Divisions and

Directorates in accordance with the requirements of the Annual Plan and its delivery.

- 13.3.6 The Director of Finance shall devise and maintain adequate systems to ensure that the Trust can identify, implement and monitor opportunities for schemes to be included within cost improvement and income generating programmes.

#### **13.4 Capital Expenditure**

- 13.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. All capital procurement shall be carried out in accordance with the Tendering and Contract Procedures. (The particular applications relating to capital are contained in SFI 24).

#### **13.5 Monitoring Returns**

- 13.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation in line with the agreed timescales.

#### **13.6 Value for Money**

- 13.6.1 The Chief Executive in conjunction with the Director of Finance shall be responsible for the efficient and effective use of the total financial resources available to the Trust and ensure that good value for money is achieved.

### **14. ANNUAL ACCOUNTS AND REPORTS**

- 14.1 The Director of Finance, on behalf of the Trust, will:
- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and International Financial Reporting Standards;
  - (b) prepare and submit annual financial returns and accounts to the Department of Health and Social Care in accordance with the national timetable and published requirements;
- 14.2 The Trust's annual accounts must be audited by the Trust's external auditor as appointed by the Audit Panel and thereafter adopted by the Trust Board.
- 14.3 The Trust will publish an annual report, in accordance with the national timetable. The document will comply with the relevant Department of Health and Social Care guidance including that contained in the Department of Health Group Accounting Manual.
- 14.4 The Audited Annual Report and Accounts must be presented to a public meeting and made available to the public.

### **15. BANK ACCOUNTS**

#### **15.1 General**

- 15.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ directions and best practice advice issued by the Department of Health and Social Care and Treasury. In line with 'Cash Management in the NHS' Trusts should minimise the

use of commercial bank accounts and consider using Government Banking Service (GBS) accounts for all banking services.

The Board of Directors shall approve the banking, working capital and investment arrangements including a review of the Trust's Treasury Management Policy on an annual basis.

## **15.2 Bank Accounts**

15.2.1 The Director of Finance is responsible for:

- (a) the operation Government Banking Service (GBS) and other bank accounts held by the Trust, Working Capital Facilities and the appropriate investment of the Trust's cash.
- (b) establishing separate bank accounts for the Trust's non-exchequer funds;
- (c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
- (d) reporting to the Board all instances where bank accounts may become or have become overdrawn (together with remedial action taken);
- (e) ensuring the Board of Directors is notified of changes to the Trust's borrowing facilities; and
- (f) monitoring compliance with Department of Health and Social Care or any other relevant guidance on the level of cleared funds.

## **15.3 Banking Procedures**

15.3.1 The Director of Finance will prepare detailed instructions on the operation of all Trust bank accounts, investments and borrowings which must include:

- (a) the conditions under which each bank and GBS account is to be operated, including the limit to be applied to any overdraft
- (b) a panel of officers with delegated authority to sign cheques or authorise payments drawn on the Trust's accounts and the number of signatories required on each authority to pay.
- (c) those authorised to invest monies; and
- (d) any records which must be maintained in respect of the above.

15.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

15.3.3 All funds shall be held in accounts in the name of the Trust. No members of staff other than those designated by the Chief Executive and the Director of Finance shall open any bank or building society account in the name of the Trust. Any employee aware of the existence of such an account shall report the matter to the Director of Finance.

15.3.4 Where an agreement is entered into with any other body for payment to be made on behalf of the Trust from bank accounts maintained in the name of the Trust or other body, or by Electronic Funds Transfer (BACS), the Director of Finance shall ensure that satisfactory security regulations of the Trust/other body relating to bank

accounts exist and are observed. This will be specified in an agreement with the appropriate body.

#### **15.4 Investments**

- 15.4.1 The Director of Finance is responsible for arrangements for the investment of surplus cash with the National Loans fund ensuring:
- (a) a competitive rate of return within a minimal risk profile;
  - (b) the availability of cash to meet operational requirements;
- 15.4.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 15.4.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

#### **15.5 Tendering and Review**

- 15.5.1 The Director of Finance will review any commercial banking arrangements of the Trust at five yearly intervals to ensure they reflect best practice and represent best value for money.
- 15.5.2 Competitive tenders shall be sought and the results reported to the Board. This review is not necessary for the operation of Government Banking Services accounts required by the Department of Health and Social Care.

### **16. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

#### **16.1 Income Systems**

- 16.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 16.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.
- 16.1.3
- 16.1.4 The Trust may carry on activities for the purpose of making additional income available in and/or to better carry out the Trust's principal purpose subject to any restrictions contained in the Regulatory Framework.
- 16.1.5 Disposal of materials and items surplus to requirements shall be dealt with in accordance with relevant financial procedure notes – see overlap with SFI 26.1.

#### **16.2 Fees and Charges**

- 16.2.1 The Trust shall follow the Department of Health and Social Care's advice in setting prices for NHS service agreements. The charges will be in line with National Tariff or locally agreed where tariff is not applicable.
- 16.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.



Where sponsorship income is considered the guidance in the Trust's 'Standards of Business Conduct and Declarations of Interest Policy shall be followed.

16.2.3 All employees must inform the Director of Finance promptly of money due from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings, overseas patients and other transactions.

16.2.4 In relation to Income Generation Schemes, the Director of Finance shall ensure that all costs and revenues attributed to each scheme can be identified.

### **16.3 Debt Recovery**

16.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts including detailed procedures for the issuing of credit notes and write-off of debts after all reasonable steps have been taken to secure payment.

16.3.2 Income not received should be dealt with in accordance with losses procedures and reported to the Audit Committee.

16.3.3 The Director of Finance is responsible for ensuring that systems are in place to prevent salary and other overpayments. Where overpayments occur, recovery should be initiated as per the Trust's debt recover procedure.

### **16.4 Security of Cash, Cheques and other Negotiable Instruments**

16.4.1 The Director of Finance is responsible for:

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

16.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or for the granting of personal loans of any kind.

16.4.3 All cheques, postal orders, cash receipts shall be banked intact to the credit of the Trust's Main Account or, if appropriate, the Trust's Charitable fund bank account. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

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

16.4.5 All unused cheques and other orders shall be subject to the same security precautions as are applied to cash.

16.4.6 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned shall be reported immediately to the Director of Finance and dealt with in accordance with the agreed procedure for reporting losses.

## **17. PROCUREMENT AND CONTRACTING PROCEDURE**

### **17.1 Duty to comply with Standing Orders and Standing Financial Instructions**

The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.12 Suspension of Standing Orders is applied).

### **17.2 UK Regulations Governing Public Procurement**

The Public Contracts Regulations including the current financial thresholds prescribe procedures for advertising and awarding all forms of contracts shall have effect as if incorporated in these SFIs.

### **17.3 Policy and Procedure**

The Director of Finance is responsible for ensuring policies and procedures are in place for the control of all procurement activity carried out within the Trust.

### **17.4 Competitive Tendering**

Competitive Tendering is the process by which price and/or quality is evaluated on a competitive basis between Tenderers in the market to determine the award of a contract.

#### **17.4.1 General Applicability**

- (i) Procurement is categorized into 4 ranges of expenditure, explained below. Unless specifically exempted below the Board shall ensure that competitive offers are invited for:
  - the supply of goods, materials and manufactured articles;
  - for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health and Social Care);
  - for the design, construction and maintenance of building and engineering works, including construction and maintenance of grounds and gardens;
  - disposals.
- (ii) Through the Trust's Finance System purchase orders are automatically generated for catalogue items where pricing has been competitively contracted or benchmarked against approved suppliers to ensure best value.
- (iii) For all goods and services Trust Standing Orders and UK legislation dictates the different purchasing thresholds and the process route of purchasing.
- (iv) For spend below £10,000 (excluding VAT) no formal procurement exercise is required, but value for money must still be demonstrated.
- (v) For non NHS Supply Chain spend between £10,000- £25,000 (excluding VAT) Procurement should be undertaken through one of the routes outlined below:
  - a. Proportionate Procurement, for example, a best value Request for Quote process comparing price and quality,
  - b. Further competition under a compliant framework agreement – if there is a competitive market and /or the potential for future growth in spend.
  - c. Three quotes – for a one-off purchase but in a competitive market a price only quote process can be undertaken

- d. Less than three quotes – where a competitive market is not established, or demand in the market limits procurement options, one to three quotes will be accepted on the basis there is evidence of attempts to seek quotes and this is documented on a procurement record.
- e. Direct award – where only one provider can deliver the requirement, or for a unique requirement (value for money must still be demonstrated). A short Contract Award Report is required to demonstrate justifiable direct award.
- f. Contract variation under an existing contract – providing the contract variation is no more than 10% of the original contract value or for technical or economic reasons, the variation is no more than 50% of the original contract value. Contract variations higher than these thresholds will require a new procurement process.

See SFI 17.9 for further details.

- (vi) For spend above £25,000 (excluding VAT) but below the current tender thresholds within PCR2015, or £100,000 for services described in Schedule 3 of PCR 2015, or £500,000 for works as described in PCR2015

Procurement must be engaged to undertake one of the following processes

- a. Proportionate Procurement Exercise in the open market – where a price and quality evaluation is required, then a proportionate tendering approach to test the market should be undertaken by the Procurement Team.
- b. Mini-competition through a compliant framework agreement.
- c. Direct award under a compliant framework agreement
- d. Contract variation under an existing contract – providing the contract variation is no more than 10% of the original contract value or for technical or economic reasons, the variation is no more than 50% of the original contract value. Contract variations higher than these thresholds are not permitted and will require a new procurement. Contract variations which result in a total value contract above procurement thresholds are not permitted, and will require a compliant procurement under the Public Contract Regulations 2015
- e. In exceptional circumstances, a single tender waiver may be required

- (vii) For spend above the current UK tender threshold limit, Procurement must be engaged to undertake one of the following

- a. Procurement Process in line with procedures detailed within the Public Contracts Regulations 2015 i.e. competitive Tender
- b. Further competition / direct award under a compliant framework agreement.
- c. Contract variation under an existing contract – providing the contract variation is no more than 10% of the original contract value or for technical or economic reasons, the variation is no more than 50% of the original contract value. Contract variations higher than these thresholds are not permitted and will require a new procurement. Contract variations which result in a total value contract above procurement thresholds are not permitted, and will require a compliant procurement under PCR2015
- d. In exceptional circumstances, a compliant direct award under the rules determined in Regulation 32 of PCR2015

For works contracts subject to a VFM assessment the Trust shall procure all building and estates capital schemes with an estimated value over £500,000 using the NHS Procure 22 Framework, or alternative public sector works Framework Agreement, unless there are valid and significant reasons for not doing so, as approved by the

Director of Finance. The Trust will follow Department of Health and Social Care and Treasury guidelines for the procurement of all estates capital schemes. Procurement contracts and frameworks used to commission contractors shall be appropriate to the type and nature of capital scheme being procured and will be required to demonstrate value for money.

An appropriate record should be kept in the contract file where it has not been possible to invite a building or estates tender above UK Procurement limits through a framework.

- (viii) All procurements must be undertaken in accordance with Procurement Standard Operating Procedures.

#### 17.4.2 **Healthcare Services**

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the procurement and contracting procedure and need to be read in conjunction with SFI 17.11 and SFI No. 18.

Where procurement of healthcare services on the open market is undertaken, these will be in line with the Light Touch Regime for common procurement vocabulary codes described within Schedule 3 of the Public Contracts Regulations 2015.

Where the procurement of a sub-contractor for CCG commissioned service is required, the NHS England Standard Contract: Sub-contracts should be utilised in all cases.

#### 17.4.3 **Exceptions and instances where formal tendering need not be applied**

Formal tendering procedures (i.e. local or UK) **need not be applied**:

- (a) where the estimated expenditure or income does not, or is not reasonably expected to, exceed **£25,000**;
- (b) where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in SFI No. 26;
- (d) where works or services connected to proposed works are to be commissioned from an approved Procure 22 Principal Supply Chain Partner (PSCP), as appointed formally to the Department of Health and Social Care framework agreement or its successor schemes; or
- (e) where the supply is proposed under any external compliant contract / framework agreement to which the Trust has access. In such circumstances value for money and compliance to the agreement should be demonstrated.

#### 17.4.4 Formal procurement procedures (i.e. local or above threshold tender / quotes or direct award) **may be waived** in the following circumstances:

- (a) in very exceptional circumstances where formal procurement procedures would not be practicable and the circumstances are detailed in an appropriate Trust record.

- (b) where the timescale genuinely precludes competitive procurement but failure to plan the work properly would not be regarded as a justification for a single tender;
- (c) where specialist expertise is required and is available from only one source;
- (d) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- (e) there is a clear benefit to be gained from maintaining continuity with an earlier project or compatibility with existing equipment / service. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive procurement;
- (f) for building and engineering construction works and maintenance where there is either a direct legal enforcement of safety the consequence of which would result in the closure of the Trusts services and/or prosecution of the Trust and its officials or a specified National or Local Health economy imperative where failure to deliver could place patients safety at risk.

The waiving of procurement procedures should not be used to avoid competition or for administrative convenience or to award further work to a supplier originally appointed through a competitive procedure unless specifically covered within the original procurement notice or contract.

Where it is decided that competitive procurement is not applicable and should be waived, the fact of the waiver and the reasons should be documented reviewed by procurement, authorised by the Director of Finance and / or Chief Executive and recorded in an appropriate Trust record and reported to the Audit Committee at each meeting.

#### **17.4.5 Fair and Adequate Competition**

Other than where the exceptions set out in SFI Nos. 17.1 and 17.4.1 and 17.4.3 apply, the Trust shall ensure that requests for procurement are sent to no less than three firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required. The deadline for returns must be considered reasonable.

### **17.5 Tendering Procedure for Goods, Materials, Services and Disposals including non NHS provided health care.**

#### **17.5.1 Invitation to tender**

- (i) All invitations to tender shall be issued via the appropriate e procurement/sourcing portal in use within the Trust.
- (ii) All invitations to tender shall state that no tender will be accepted unless it has been submitted via the appropriate e procurement/sourcing portal adhering to all the required terms of the invitation to tender but specifically the requested time and date of return.

- (iii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Terms and Conditions of Contract as are applicable. Any contract that is projected not to be under such terms must be referred to the Deputy Director of Procurement prior to any contractual agreement.
- (iv) Every tender for building or engineering works not procured under the procure 22 framework with an approved Principal Supply Chain Partner (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract) Standard forms of contract or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

#### 17.5.2 **Receipt and safe custody of tenders**

The Chief Executive or his/her nominated representative will be responsible for the electronic receipt, and safe custody of tenders received within the e-procurement system until the time appointed time for the electronic seal to be opened.

#### 17.5.3 **Opening tenders and Register of tenders**

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, the electronic vault will be opened by the procurement project lead
- (ii) Every tender received shall be marked with the date of opening automatically by the e-procurement software and will maintain a full auditable record of the opening process.
- (iii) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, shall be addressed in accordance with PCR 2015 Regulation 56(4)
- (iv) Appropriately detailed electronic notes shall be kept in the contract file to detail any matters such as action taken in respect of late tenders, non-compliant bids or any other matters relevant to tender receipt and opening.

#### 17.5.4 **Admissibility**

- (i) Tenders submitted but not received until after the due time and date (at which point the electronic vault is locked), may be considered only if confirmation of submission is received from the e-sourcing portal. The Chief Executive or his/her nominated officer will decide whether there are exceptional circumstances e.g. System failure on the part of the Portal having been uploaded in good time but delayed through no fault of the tenderer.
- (ii) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started.

- (iii) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his nominated officer.
- (iv) Where only one tender is sought and / or received, it must be demonstrated that the price to be paid is fair and reasonable and will ensure value for money for the Trust. This will be recorded in the appropriate documentation namely the contract award report.

#### 17.5.5 Acceptance of formal tenders (See overlap with SFI No. 17.6)

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender. All such questions must be raised and responded to via the e procurement system to maintain audit trails and transparency.
- (i) Evaluation criteria will be based on either:
  - the lowest price; or
  - the most economically advantageous cost over the whole life of the Contract based on a combined evaluation of price and quality

It is accepted that the lowest price does not always represent the best value for money. Other factors affecting the success of a project may include (without limitation):

- (a) Qualitative elements of the bidders proposal;
- (b) understanding of client's needs;
- (c) feasibility and credibility of proposed approach;
- (d) ability to complete the project on time.

Where other factors are taken into account in selecting a tenderer, these must be documented in the contract award report, and the reason(s) for not accepting the lowest priced tender clearly stated.

Criteria taken into account in selecting a successful tenderer must be clearly recorded and documented in the invitation to tender/quote.

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these instructions except with the authorisation of the Chief Executive or nominated officer
- (iv) The use of these procedures must demonstrate that the award of the contract was:
  - (a) not in excess of the going market rate / price current at the time the contract was awarded; or
  - (b) that best value for money was achieved.
- (v) All tenders should, subject to compliance with the provisions of the Freedom of Information Act 2000 as amended, be treated as confidential and should be retained for:

- (a) 6 years after contract completion - successful tenders
  - (b) 6 years after contract start - unsuccessful tenders.
- (vi) All tenders should be assessed for embedded derivatives and embedded leases utilising a standard checklist. Any proposed tender award which indicates the existence of either should be notified to the Assistant Director of Finance – Financial Services, prior to award.

**17.6 Authorisation of Procurement Awards (Internal Trust Process)**

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation for the awarding of a contract (internal Trust process) must be authorised by the following staff to the value of the contract as follows:

	Threshold Value (total requirement)	Operational Purchasing Manager	Head of Category Procurement Governance Manager	Deputy Director of Procurement	Director of Finance	Chief Executive	Trust Board
Aggregated Total Contract Value	< £5000	✓					
	< £25,000	✓	✓				
	< £100,000		✓	✓			
	< £250,000		✓	✓	✓		
	< £250,000 - £1m		✓	✓	✓	✓	
	£1m+		✓	✓	✓	✓	✓

For all contract awards requiring Trust Board approval, these must be submitted to FPEC for assurance.

These levels of authorisation may be varied or changed only with the express agreement of the Trust Board.

Formal authorisation to initiate any procurement process must be put in writing in the form of a Procurement Sponsorship Form for all procurement processes where the award value is expected to exceed £25,000..

**17.7 Signing of Commercial Procurement Contracts (External Document)**

17.7.1 The signing of the commercial procurement contracts must only be undertaken by the following Trust Staff and within the identified value limits

- < £50,000 – Deputy Director of Procurement
- £50,000 – £250,000 Director of Finance



>£250,000 – Director of Finance and Chief Executive

**17.8 Private Finance and leasing for capital procurement (see overlap with SFI No. 24)**

17.8.1 When the Board proposes, or is required, to use finance provided by the private sector (PFI) the following should apply:

- (a) The Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate department or agency for approval or treated as per current guidelines.
- (c) The proposal must be specifically agreed by the Board of the Trust.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

17.8.2 Where it is proposed that leasing be considered in preference to capital procurement then the following should apply:

- (a) The selection of a contract / finance company shall be on the basis of a competitive process;
- (b) All proposals to enter into a leasing agreement shall be referred to the Director of Finance before acceptance of any offer;
- (c) The Director of Finance shall ensure that the proposal demonstrates best value for money; and
- (d) The proposal shall be agreed in writing by the Director of Finance prior to acceptance of any offer to the lease.

In the case of property leases the relevant NHS guidance shall be followed and procurement rules do not apply.

**17.9 Compliance requirements for all contracts**

The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:

- (a) The Trust's Standing Orders and Standing Financial Instructions;
- (b) UK Procurement Regulations and other statutory provisions;
- (c) any relevant directions issued by Treasury, the Department of Health or other Statutory Body.
- (d) such of the NHS Standard Contract Conditions as are applicable.
- (e) contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance.

(f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis of the Procurement.

(g)

**17.10 Personnel and Agency or Temporary Staff Contracts (see overlap with SFI Nos. 20.6, 20.9, 21.2.3)**

The Chief Executive shall nominate officers with delegated authority to design and operate a process for engaging with and enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

**17.11 Healthcare Services Agreements (see overlap with SFI No. 18)**

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the National Health Service Act 2006 as amended and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

The Chief Executive shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

Where Health Services require an external contractor or non-NHS provider, SFI 17.4.2 must be considered.

**17.12 Disposals (See overlap with SFI No 26)**

Competitive Procurement procedures shall not apply to the disposal of:

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed on a periodic basis;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

**17.13 In-house Services**

17.13.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive procurement.

17.13.2 In all cases where the Board determines that in-house services should be subject to competitive procurement the following groups shall be set up:

- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist/s.

- (b) In-house bid group, comprising a nominee of the Chief Executive and technical support.
  - (c) Evaluation team, comprising normally a specialist officer, a Procurement Officer and Director of Finance or nominated representative. For services having a likely annual expenditure exceeding £ 1,000,000, a non-officer member should be a member of the evaluation team.
- 17.13.3 All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house bid group may participate in the evaluation.
- 17.13.4 The evaluation team shall make recommendations to the Board.
- 17.13.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.

**17.14 Applicability of SFIs to Procurement using funds held in trust (see overlap with SFI No. 29)**

These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased by the United Lincolnshire Hospitals Trust Charity.

**17.15 Cancellation of Contracts**

- 17.15.1 Except where specific provision is made in model forms of contracts or standard schedules of conditions approved for use within the NHS, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if:
- (a) the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust;
  - (b) for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor);
  - (c) in relation to any contract with the Trust the contractor or any person employed by him or acting on his behalf shall have committed any offence under the extant Bribery Act and other appropriate legislation.

**17.16 Determination of Contracts for Failure to Deliver Goods or Material**

There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good:

- (a) such default, or
- (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered.

Further the amount by which the cost of purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

## **18. AGREEMENTS FOR PROVISION OF HEALTHCARE SERVICES (see overlap with SFI No. 17.11)**

18.1 The Chief Executive, as the Accountable Officer of the Trust, supported by the Director of Finance and Deputy Chief Executive, is responsible for negotiating contracts with commissioners for the provision of services to patients in accordance with national guidance and the Annual Plan.

18.2 All agreements should aim to implement the agreed priorities contained within the NHS Operating Framework and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the provision of reliable information on cost and volume of services;
- existing agreements, to ensure where appropriate they build on existing partnership arrangements;
- the mandated performance indicators;
- existing Joint Investment Plans;
- the need to ensure agreements are based on integrated care pathways; and any model contracts issued by the Department of Health and Social Care.

In carrying out these functions, the Chief Executive should take account the advice of the Director of Finance regarding:

- the National Tariff Payment System and associated guidance (e.g. national activity recording and coding requirements, the National Grouper etc.) and the costing and pricing of services;
- payment terms and conditions;
- amendments to agreements and other NHS patient services arrangements.

All agreements should be underpinned by the NHS standard contract clauses.

### **18.3 Involving partners and jointly managing risk**

The risks involved in joint working will be assessed and articulated within a legally binding contract. Such a contract will be informed by the view of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Director of Finance to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The agreement will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

### **18.4 Sub-contracting Provision of Services to Non-NHS Providers**

Where the Trust makes arrangements for the provision of services by non-NHS providers, it is the Director of Finance, who is responsible for ensuring that the agreements put in place have due regard to the quality and the cost-effectiveness of the services provided. Before making any agreement with non-NHS providers, the Trust should explore fully the scope to make maximum cost-effective use of NHS facilities and ensure all sub-contracting is in accordance with the NHS Standard

Contract. This is to ensure that the quality and performance measures reflect the Trust contract with their main commissioners.

18.5 The Director of Finance, on behalf of the Chief Executive, shall be responsible for drawing up and agreeing to the financial details and terms and conditions contained in the legally binding contract entered into by the Trust.

18.6 Agreements should be so devised as to minimise risk whilst maximising the Trust's opportunity to generate income. Agreement prices shall comply with the latest costing guidelines.

18.7 The Director of Finance shall be responsible for establishing arrangements for the identifying, gaining approval for and invoicing of other NHS patient services referrals.

**18.8 Reports to Board on contracts**

The Director of Finance will ensure that regular reports are provided to the Board detailing actual and forecast income from the contracts. Contract performance will be reported separately by the Deputy Chief Executive.

**19. COMMISSIONING**

Not applicable

**20. HUMAN RESOURCES AND PAY**

**20.1 Remuneration and Terms of Service (see overlap with SO No. 5.7)**

20.1.1 In accordance with Standing Orders the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

20.1.2 The Committee will:

(a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the Trust and other senior employees including:

- (i) all aspects of salary (including any performance-related elements/bonuses);
- (ii) provisions for other benefits, including pensions and cars;
- (iii) arrangements for termination of employment and other contractual terms;

(b) make such recommendations to the Board on the remuneration and terms of service of officer members of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;

(c) monitor and evaluate the performance of individual officer members (and other senior employees);

(d) receive assurance from appropriately qualified officers of the trust in regard to appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate;

(e) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments exceeding £50,000 taking account of such national guidance as is appropriate.

- For any payment less than £50,000 the Executive Team has authority to consider and approve.
- For any termination payment over £150,000 the payment must gain Board approval.

(f) Special severance payments (those outside normal statutory or contractual requirements) cannot be made without Treasury and Board approval

20.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.

20.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

20.1.5 The Trust will pay allowances to the Chairman and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health.

## **20.2 Funded Establishment**

20.2.1 The Executive Devolution Policy provides for a degree of earned autonomy to be reflected in the delegation of powers to Directorates and Divisions in varying Establishment. Unless otherwise devolved, the following apply:

- The workforce plans incorporated within the annual budget will form the funded establishment.
- All new posts must be approved through the business planning process.
- The funded establishment of any department may not be varied in any way which causes expenditure to exceed the authorised annual budget without the prior written approval of the Director of Finance or nominated deputy.

20.2.2 The authority to fill a funded post on the establishment with permanent or fixed term staff sits with the budget holder except when the Trust is operating under special measures when this authority may be rescinded.

20.2.5 The authority each budget manager is attributed in relation to all pay and non-pay decisions is set out within the Executive Devolution Policy (See SFI No. 13.3.1 and 21.2)

## **20.3 Staff Appointments**

- 20.3.1 No officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:
- (a) authorised to do so by the Chief Executive;
  - (b) within the limit of their approved budget and funded establishment or as set out within the Executive Devolution Policy.
- 20.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.
- 20.3.3 Any monies due to employees as a result of all employments with the Trust howsoever arising shall be paid through the Trust payroll.

#### **20.4 Variation to existing job plans**

- 20.4.1 Only the Clinical Director or Business Manager of the relevant Clinical Business Unit can authorise variations to existing job plans within the agreed budget.

#### **20.5 Authorisation of overtime and additional sessions**

- 20.5.1 The budget holder is responsible for authorising overtime and additional sessions.
- 20.5.2 Overtime and additional sessions must be authorised prior to being worked. In exceptional circumstances where documentation or electronic systems are not authorised prior to the work being undertaken, these must be completed as soon as possible.

#### **20.6 Authority to engage bank and agency staff, Self-employed or Third Party Workers**

- 20.6.1 Within delegated budget:
- (a) The budget holder holds the responsibility to authorise the booking of bank and agency staff or self-employed or Third Party Workers
- Outside of delegated budget:
- (b) The booking of bank and agency personnel or self-employed or Third Party Workers outside of budget must be agreed in advance with the appropriate Executive Director in consultation with the Director of Finance.
- 20.6.2 All bookings of bank or agency staff must be made through the agreed process, variations to this can only be made with the express authority of the Director of Finance.

#### **20.7 Leave Policy**

- 20.7.1 The Director of Human Resources is responsible for agreement and publication of Leave Policy, to cover Annual, Maternity, Paternity and other Special Leave categories.
- 20.7.2 The Director of Human Resources is responsible for agreement and implementation of a Policy to support Career Breaks.

#### **20.8 Redundancy**

- 20.8.1 All staff redundancies must be authorised by the Director of Finance.

## **20.9 Engagement of Workers off Payroll – (see overlap with SFI No 21.2.3)**

- 20.9.1 The Director of Finance shall issue detailed guidance setting out responsibilities and required actions for managers engaging workers 'off-payroll'.
- 20.9.2 Only in exceptional cases should a worker be engaged and not paid through the Trust payroll.
- 20.9.3 Prior to engagement, the tax status of the 'worker' must be determined. To facilitate this, the engaging manager must complete an online IR35 assessment which prior to engagement must be reviewed and agreed by a nominated officer within the Finance Directorate.
- 20.9.4
- 20.9.5 Appropriate arrangements shall be in place to ensure that income tax deductions and national insurance contributions for both the Trust and worker are properly made and paid to HM Revenue & Customs in line with current legal and regulatory requirements.
- 20.9.6 NHSI payment Caps may not be exceeded without the express agreement of the appropriate Executive Director;

## **20.10 Processing Payroll**

- 20.10.1 The Director of Finance is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
  - (b) the final determination of pay and allowances;
  - (c) making payment on agreed dates;
  - (d) agreeing method of payment.
- 20.10.2 The Director of Finance will issue instructions regarding:
- (a) verification and documentation of data;
  - (b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
  - (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
  - (d) security and confidentiality of payroll information;
  - (e) checks to be applied to completed payroll before and after payment;
  - (f) authority to release payroll data under the provisions of the Data Protection Act;
  - (g) procedures for payment by cheque, bank direct credit (including BACS), or cash to employees and officers;
  - (h) procedures for the recall of bank direct credits (including BACS) and stopping of cheques;



- (i) Pay advances and their recovery;
- (j) maintenance of regular and independent reconciliation of pay control accounts;
- (k) separation of duties of preparing records;
- (l) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

20.10.3 The Budget Holder has delegated responsibility for:

- (a) submitting time records, and other notifications in accordance with agreed timetables;
- (b) submitting appointment forms and change forms in the prescribed form, immediately upon knowing the effective date of an employee's appointment or change in circumstances;
- (c) completing time records and other notifications in accordance with the Director of Finance' instructions and in the form prescribed by the Director of Finance;
- (d) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

20.10.4 Individual employees are responsible for:

- (a) Keeping accurate time records
- (b) Submitting time records and claims for reimbursement of overtime, enhancements and extra duties to line management for authorisation each month or where required more frequently in accordance with published timetables
- (c) Submitting claims for reimbursement of travel and other expenses within 3 months of being incurred. Claims outside this period must be authorised by the Director of Finance or nominated Deputy.
- (d) Checking their pay each month and immediately notifying Payroll of any identified error for correction in the following pay period.

20.10.5 Regardless of the arrangements for providing the payroll service, the Director of Finance shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

20.10.6 All timesheet, pay records and other pay notifications shall be certified and submitted in accordance with the instructions of the Director of Finance. A list of designated authorising Officers shall be maintained, detailing the limits of authorisation and shall contain specimen signatures.

20.10.7 The Director of Finance shall determine the dates on which the payment of salaries, wages, expenses, allowances, termination or compensation payments, and any

other form of remuneration are to be made, having regard to the general rule that it is undesirable to make payments in advance, except in special circumstances.

- 20.10.8 The Director of Finance will publish a salary overpayments and advances policy detailing the Trust approach to and process for recovery of overpayments and circumstances under which an advance of salary may be made.

## **20.11 Contracts of Employment**

20.11.1 It is the responsibility of the Director of Human Resources for:

- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
- (b) dealing with variations to, or termination of, contracts of employment in accordance with the requirements of Standing Orders and Standing Financial Instructions

## **21. NON-PAY EXPENDITURE**

### **21.1 Delegation of Authority**

21.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Director of Finance will determine the level of delegation to budget managers.

21.1.2 The Director of Finance will set out:

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

The list of managers and limits of financial authority will be set out within the Trust authorisation matrix hierarchy. This defines the actions individuals have delegated authority to carry out on behalf of the Trust. The authority will be restricted in most cases to a limited range of budget areas for which the manager is responsible. The matrix incorporates delegated authority in relation to Human Resources (e.g. recruitment), Procurement / Invoice authorisation, Admin rights, budget amendments and Charitable Fund requests.

21.1.3 No contract in respect of the supply of revenue or capital goods and/or services may be authorised other than by approved budget managers in conjunction with advice from Procurement or Estates services or exceptionally by the Chief Executive. The approved manager shall not authorise a contract in respect of a budget for which they are not accountable.

21.1.4 The Director of Finance shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

### **21.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with SFI No. 17)**

#### **21.2.1 Requisitioning**

The requisitioner in specifying the item to be supplied (or the service to be performed) shall always engage with Procurement Services to obtain the best value for money for the Trust.

21.2.2 It should be the duty of the Associate Director of Procurement to exercise general supervision over all purchases, except for drugs and pharmaceutical supplies. After making reasonable efforts to resolve conflicts, and having due regard to materiality, he shall inform the Director of Finance of any requisition which appears to be in conflict with the Trust's Standing Orders and Standing Financial Instructions. In the case of drugs and pharmaceutical supplies this duty falls to the Chief Pharmacist.

21.2.3 Where services are required from an individual, consideration should be given to the nature of the role to be undertaken to ensure that the contract will be a contract FOR services (non-pay) and not a contract OF service (pay). It is the responsibility of the Budget Manager to ensure that when making an appointment or agreement for services that the individual is paid appropriately in accordance with the relevant tax regime. This also applies where services are offered by ex-employees or individuals supplying through their own personal service companies: it is the nature of the role which determines the appropriate pay or non-pay arrangement and advice of the Procurement team should be sought where necessary. The relevant Finance Manager must be consulted when engaging with a PSC for the provision of personal services to ensure IR35 tax legislation is consistently applied. (see overlap with SFI 20.9)

#### 21.2.4 **System of Payment and Payment Verification**

The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

21.2.5 The Director of Finance will:

(a) advise the Board regarding the setting of thresholds for each route to procurement ; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;

(b) prepare procedural instructions and guidance for governing the procurement of non-pay goods and services within agreed authorisation limits.

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

(i) A list of Trust employees (including specimens of their signatures where appropriate) authorised to certify invoices.

(ii) Certification that:

- goods have been duly received, examined and are in accordance with specification and the prices are correct;

- work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;

- in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
  - the account is arithmetically correct;
  - the account is in order for payment.
- (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (d) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 21.2.6 below.

#### 21.2.6 **Prepayments**

Prepayments are only permitted where exceptional circumstances apply. The Director of Finance will provide a list of suppliers or services where payment in advance is permitted. Any situations not covered will require explicit authorisation from the Director of Finance. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages.
- (b) The appropriate budget holder must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

#### 21.2.7 **Official orders**

All goods, services or works will unless otherwise exempted be ordered on an official order and contractors shall be notified that they should not accept orders unless in an official form. The only exceptions to raising an official order shall be for:

- (a) cases of emergency or urgent necessity where a confirmation order number should be used.;
- (b) those specific approved goods and services for which a non-stock requisition is not required (as advised by the Head of Procurement on the 'Official exemption list).
- (c) those purchases made with a procurement card or by petty cash in accordance with the relevant approved procedure.

Official Orders must:

- (a) be uniquely numbered;
- (b) be in a form approved by the Director of Finance;
- (c) state the Trust's terms and conditions of trade;
- (d) only be issued to, and used by, those duly authorised by the Chief Executive.

- (e) Confirmation order numbers shall be issued only by an Officer designated by the Chief Executive and used only in cases of emergency or urgent necessity. These shall be confirmed by an official order issued as soon as possible and ideally the next working day. The order should be clearly marked "Confirmation Order".

Orders / requisitions shall only be raised (or electronically processed) by Officers so authorised by the Chief Executive.

Lists of authorised Officers shall be maintained detailing the limits of authorisation within the Trust authorisation matrix (SFI 21.1.2).

#### 21.2.8 **Purchasing Cards**

- (a) All purchase cards are issued subject to the appropriate budget holder completing a business case of need, and authorisation by the Associate Director of Procurement.
- (b) The card must be utilised according to the procedures documented in the Purchase Card Manual.
- (c) Purchase card transactions and relevant backing information will be subject to audit by finance to ensure it is appropriately completed and stored.
- (d) Illicit use of the purchase card for inappropriate or personal spend will result in disciplinary action and referral to the local counter fraud specialist where applicable.

#### 21.2.9 **Duties of Managers and Officers**

Managers and officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
- (d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - (ii) conventional hospitality, such as lunches in the course of working visits;

**(This provision needs to be read in conjunction with the Trust's "Standards of Business Conduct and Declarations of Interest Policy");**

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works (unless specifically exempted by the Director of Finance – SFI 21.2.7) are ordered on an official order;

- (g) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (h) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase (indemnity forms should be completed for all trial/loan and free issue equipment); All trials or loans must be authorised in advance through the relevant governance structure.
- (i) changes to the list of employees and officers authorised to commit resources and certify invoices are notified to the Director of Finance;
- (j) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (k) petty cash records are maintained in a form as determined by the Director of Finance.

21.2.10 No Officer shall place a requisition, purchase from petty cash, by procurement card or require an official order to be raised with an individual to whom they are related or with any person or organisation with whom they hold a financial interest or from whom they are likely to receive any payment, gift or other consideration, without first making a disclosure of the circumstances in writing to the Chief Executive and receiving his written authority to proceed. A copy of an authority so given must be lodged with the Director of Finance.

Related Party disclosure should be made in accordance with the Trust Standards of Business Conduct and Declarations of Interest policy.

21.2.11 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within the high level principles described within Health Building Note 00-08. The evaluation of the efficiency and effectiveness of these contracts shall be the responsibility of the Director of Estates and Facilities.

## **22. EXTERNAL BORROWING**

22.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health and Social Care. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

22.1.2 The Director of Finance shall be responsible for ensuring that the best value is obtained in securing loan finance and other sources of external funding and shall prepare detailed procedural instructions concerning applications for loans and overdrafts and on the form or records to be maintained.

22.1.3

22.1.4 Borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money, and comply with the latest guidance from the Department of Health and Social Care.

22.1.5 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Director of

Finance. The Board must be made aware of all short term borrowings at the next Board meeting.

- 22.1.6 All long term borrowings must be agreed by the Trust Board. Loan documentation must be authorised by the Chief Executive and Director of Finance.
- 22.1.7 All long term borrowing must be consistent with the plans outlined in the current financial plan as reported to the Department of Health and Social Care and be approved by the Trust Board.
- 22.1.8 The Director of Finance is responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the Trust to fulfill the requirement to maintain adequate cash balances. The Board of Directors will receive details of the Trust's performance from the Director of Finance.

## **23. FINANCIAL FRAMEWORK**

- 23.1.1 The Director of Finance should ensure that members of the Board are aware of the NHS Financial Regime. The Director of Finance should also ensure that the direction and guidance issued as part of the NHS Financial Regime is followed by the Trust.

## **24. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **24.1 Capital Investment**

- 24.1.1 The Chief Executive:
  - (a) 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 business plans;
  - (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to budget;
  - (c) shall ensure that the capital investment is not undertaken without confirmation of Commissioner support (where appropriate) and the availability of resources to finance all revenue consequences, including VAT and capital charges.
- 24.1.2 For every capital expenditure proposal the Chief Executive shall ensure:
  - (a) that a business case (in line with current Department of Health and Social Care guidance and the Trusts Investment Appraisal Framework is produced setting out:
    - (i) an option appraisal of potential financial and non-financial benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
    - (ii) the involvement of appropriate Trust personnel and external agencies;
    - (iii) appropriate project management and control arrangements;
  - (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Trust personnel and external agencies in the process.

- (c) that advice is taken and acted upon to minimise the VAT and other taxes payable;
- 24.1.3 For capital schemes where the contracts stipulate stage payments, the Director of Finance will issue procedures for their management.
- 24.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance.
- 24.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure. This as a minimum shall include reporting to the Board on:
- (a) an individual scheme / project
  - (b) the source and level of funding, and
  - (c) the expenditure incurred against the annual plan profile
- 24.1.6 The approval of a capital programme shall not constitute approval for the initiation of expenditure on any individual scheme, because it is also necessary to undertake the mandatory procurement processes of the Trust.
- The Chief Executive shall issue to the manager responsible for any scheme:
- (a) specific authority to commit expenditure;
  - (b) authority to proceed to tender ( see overlap with SFI No. 17.6);
  - (c) approval to accept a successful tender (see overlap with SFI No. 17.6).
- The Chief Executive will issue a scheme of delegation for capital investment management in accordance with current Department of Health and Social Care guidance and the Trust's Standing Orders.
- 24.1.7 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.
- 24.1.8 The Director of Finance shall issue procedures for the use of capital receipts from the sale of assets and will ensure that the Trust's financial plans incorporate any expected capital receipts.
- 24.1.9 The Board of Directors will approve details of the Capital Expenditure Programme as part of the Annual Plan.
- 24.1.10 The Board of Directors will approve the acquisition / disposal of land and property.
- 24.1.11
- 24.1.11 The classification and recording of capital expenditure should be in accordance with the requirements laid down in the Department of Health Group Accounting Manual.
- 24.2 Private Finance and leases (see overlap with SFI No. 17.8)**
- 24.2.1 The Trust should consider market-testing against Private Finance Initiative Funding (PFI) and / or leasing agreements when considering a large capital procurement.



### **24.3 Asset Registers**

- 24.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted on a rolling basis every two years.
- 24.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be sufficient to meet requirements set out within International Financial Reporting Standards and other requirements as stipulated in the Department of Health Group Accounting Manual.
- 24.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - (b) stores, requisitions and salary records for own materials and labour including appropriate overheads;
  - (c) lease agreements in respect of assets held under a finance lease and capitalised.
- 24.3.4 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).
- 24.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 24.3.6 The value of each asset shall be depreciated using methods and rates as specified in the Trust's accounting policies and indexed / revalued annually as appropriate.
- 24.3.7 The Director of Finance shall calculate and make dividend payments in accordance with instructions issued by the Department of Health.

### **24.4 Security of Assets**

- 24.4.1 The overall control of non-current assets is the responsibility of the Chief Executive.
- 24.4.2 Asset control procedures (including fixed assets, cash, cheques, negotiable instruments, and donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- (a) recording managerial responsibility for each asset;
  - (b) identification of additions and disposals;
  - (c) identification of all repairs and maintenance expenses;
  - (d) physical security of assets;
  - (e) periodic verification of the existence of, condition of, and title to, assets recorded;

- (f) identification and reporting of all costs associated with the retention of an asset;
  - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 24.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance who may also undertake such other independent checks as considered necessary.
- 24.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust; it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security checks and practices in relation to Trust and NHS property as may reasonable or as otherwise specified by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 24.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses – see SFI 26.2.
- 24.4.6 Where practical, assets should be marked as Trust property.
- 24.4.7 Employees unless specifically authorised by the Chief Executive shall not use Trust assets for personal use.
- 24.4.8 The up-to-date maintenance and annual checking of asset records shall be the responsibility of designated departmental managers or Budget Holders for all items for which the initial purchase or replacement is within their delegated responsibilities.
- 24.4.9 Registers shall be maintained to record all controlled items issued to individuals, and where practicable, receipts shall be obtained.
- 24.4.10 Records shall also be maintained and receipts obtained for:
- equipment on loan to patients; and
  - all contents of furnished lettings.

## **25. STORES AND RECEIPT OF GOODS**

### **25.1 General position**

- 25.1.1 Stocks are those goods normally utilised in day-to-day activity but which, at any point in time, have not yet been consumed (excluding capital assets). They are usually held in controlled stores and within departments.

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

- (a) kept to a minimum level commensurate with delivery and cost effective purchasing;
- (b) subjected to annual stock take;
- (c) valued at the lower of cost and net realisable value except where otherwise determined by the Trust's accounting policies.

### **25.2 Control of Stores, Stocktaking, condemnations and disposal**

#### 25.2.1

Subject to the requirements of the Director of Finance for the systems in use, overall responsibility for the control of stores shall be delegated to an Officer by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel to a designated estates manager.

25.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as Trust property.

25.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses. All stock records shall be in such form, and shall comply with such systems of control, as the Director of Finance shall approve.

25.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year. The physical check shall involve at least one Officer other than the storekeeper and his staff. The stocktaking records shall be numerically controlled and signed by the Officers undertaking the check. Any surplus or deficiencies revealed on stocktaking shall be reported to the Director of Finance immediately.

25.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.

25.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No 26 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

### **25.3 Goods supplied by NHS Supply Chain**

25.3.1 For goods supplied via NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note and report discrepancies to avoid overpayment where such discrepancies cannot be resolved via the Procurement Team.

## **26. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **26.1 Disposals and Condemnations**

#### **26.1.1 Procedures**

The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

26.1.2 When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine the estimated market value of the item, taking account of professional advice where appropriate. Advice should be sought from the

Deputy Director of Procurement as to the most appropriate disposal process (for example: auctions < £5,000 market value or quotation / tender > £5,000).  
(see overlap with SFI 17.14)

## **26.2 Losses and Special Payments**

### **26.2.1 Procedures**

The Director of Finance must prepare procedural instructions on the recording, approval of and accounting for losses, and special payments.

26.2.2 Any officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Director of Finance or confidentially inform an officer charged with responsibility for responding to concerns involving loss or potential fraud. This officer will then appropriately inform the Director of Finance.

The loss must be recorded by the Officer on Datix (risk management system) and a Datix reference number obtained.

26.2.3 Where a criminal offence is suspected, the Director of Finance must have in place provision to immediately inform the police.

In cases of theft or arson the Director of Finance must immediately inform the police.

In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the Local Counter Fraud Specialist (LCFS).

26.2.4 The Director of Finance must ensure arrangements are in place to notify the Audit committee of all suspected frauds.

26.2.5 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance must ensure the following are notified:-

- (a) the Board of Directors; and
- (b) the External Auditor

26.2.6 The Audit Committee shall approve the writing-off of losses and special payments

26.2.7 For any loss, the Director of Finance should consider whether any insurance claim can be made.

26.2.8 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.

26.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health and Social Care.

26.2.10 All losses and special payments must be reported to the Audit Committee on a quarterly basis.

26.2.11 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations. This should include:

- (a) when a bankruptcy, liquidation or receivership is discovered, all payments should be ceased pending confirmation of the bankruptcy, etc. As a matter of urgency, a statement must be prepared listing the amounts due to and from the Trust.

- (b) ensuring that any payments due by the Trust are made to the correct person.
- (c) ensuring that any claim by the Trust is properly lodged with the correct party and without delay.

## **27. INFORMATION TECHNOLOGY**

### **27.1 Responsibilities and duties of the Director of Finance**

27.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018 and any subsequent legislation;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

27.1.2 The Director of Finance shall need to 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 organisation, assurances of adequacy must be obtained from them prior to implementation.

27.1.3 The Director of Finance shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

### **27.2 Contracts for Computer Services with other health bodies or outside agencies**

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

Where another health organisation 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.

### **27.3 Risk Assessment**

The Deputy Chief Executive shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans and vulnerability to cyber-security attack.

#### **27.4 Requirements for Computer Systems which have an impact on corporate financial systems**

Where computer systems have an impact on corporate financial systems the Deputy Chief Executive shall need to be satisfied that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as the Integrated Digital Care Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out.

#### **27.5 Acquisition and Disposal of Computer Systems**

The Director of Finance will devise procedures which ensure that orders for the acquisition of computer hardware, software and services (other than consumables) are placed in accordance with the Integrated Digital Care strategy.

27.6 The Director of Finance will ensure that separate control procedures are put in place for computer systems. This procedure will include:

- the acquisition and disposal of IT, systems and equipment;
- the decommissioning of systems containing confidential data; and in accordance with any guidance issued by the Information Commissioner and the Department of Health and Social Care.

### **28. PATIENTS' PROPERTY**

28.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of terminal or deceased patients in hospital.

28.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

- notices and information booklets;
- hospital admission documentation and property records;
- the advice of administrative and nursing staff responsible for admissions,

that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

28.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients.

28.4 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the

Administration of Estates (Small Payments) Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

28.5 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

28.6 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## **29. FUNDS HELD ON TRUST**

### **29.1 Corporate Trustee**

- (1) Standing Order No. 2 outlines the Trust's responsibilities as corporate trustee for the management of funds it holds on trust, along with SFI 4.8.3 that defines the need for compliance with Charities Commission latest guidance and best practice.
- (2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

The Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

### **29.2 Accountability to Charity Commission and Secretary of State for Health and Social Care**

- (1) The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for health and Social Care for all Exchequer funds.
- (2) The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

### **29.3 Applicability of Standing Financial Instructions to funds held on Trust**

- (1) In so far as applicable these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No 17.16).
- (2) The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

## **30. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 21.2.6 (d))**

The Director of Finance shall ensure that all staff are made aware of the Trust Standards of Business Conduct and Declarations of Interest policy. This policy deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

## **31. PAYMENTS TO INDEPENDENT CONTRACTORS**

Not applicable to NHS Trusts

## **32. RETENTION OF RECORDS**

32.1 All NHS records are public records under the terms of the Public Records Act 1958 Section 3 (1) – (2). The Chief Executive and senior managers of the Trust are personally accountable for records management within the organisation.

32.2 The Trust will follow the latest guidance Records Management Code of Practice for Health and Social Care 2016") issued by NHS Digital. The Records Management Code sets out the minimum length of time for the retention of particular.

32.3 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the Trust policy. Records held in archives shall be capable of retrieval by authorised persons.

32.4 Records held in accordance with latest guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed. Day to day responsibility for decisions to destroy records following achievement of the retention date, and maintenance of the destruction register, is the responsibility of the Records Manager taking into account the provisions of the Records Management Code. The Records Manager is accountable to the SIRO and Chief Executive for decisions taken.

## **33. RISK MANAGEMENT AND INSURANCE**

### **33.1 Programme of Risk Management**

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved and monitored by the Board.

A Board Assurance Framework shall be in place to enable the monitoring of risk.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; Internal Audit, clinical audit, health and safety review;



- f) decision on and a clear indication of which risks shall be insured through arrangements with either the Risk Pooling Schemes administered by NHS Resolution or commercial insurance. ;
- g) arrangements to review the Risk Management programme.
- h) appropriate levels of external accreditation.

These matters shall be defined in more detail in the Risk Management Strategy or Policy. The existence, integration and evaluation of the above elements will support statements and conclusions within the Annual Governance Statement (AGS).

### **33.2 Insurance: Risk Pooling Schemes administered by NHS Resolution**

The Board shall decide if the Trust will insure through the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

### **33.3 Insurance arrangements with commercial insurers**

33.3.1 The Trust may not enter into insurance arrangements with commercial insurers except:

- (1) for the purpose of **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
- (2) where the Trust is involved with a consortium in a **Private Finance Initiative contract** and the other consortium members require that commercial insurance arrangements are entered into; and
- (3) where **income generation activities** take place, income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Director of Finance should consult NHS Resolution.
- (4) for the purposes of insuring Directors and Officers against any liability arising in their appointment,
- (5) where, in the opinion of the Board of Directors, the level of cover afforded through the NHS Resolution Scheme in the event of significant or total loss of a facility would be insufficient to enable the re-provision of a safe and appropriate level of care to service users.

### **33.4 Arrangements to be followed by the Board in agreeing Insurance cover**

- (1) Where the Board decides to use the risk pooling schemes administered by NHS Resolution the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) Where the Board decides not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director

of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.

- (3) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'excess'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below 'excess' levels.