



Standing Financial Instructions (SFIs) and Scheme of Delegation (SoD)

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1. INTRODUCTION TO STANDING FINANCIAL INSTRUCTIONS AND SCHEME OF DELEGATION

1.1 What are the Standing Financial Instructions and Scheme of Delegation?

- 1.1.1 This Policy combines the Standing Financial Instructions (SFIs) and Scheme of Delegation (SoD) of the Trust, which together with the Trust's Standing Orders provide a business and financial framework for Moorfields to operate within, and set the rules under which Directors, officers, employees and third parties contracted to the Trust are required to work.
- 1.1.2 Together they cover all aspects of financial and management control, together with some areas of non-financial corporate governance, and set out the responsibilities of individuals including the levels of responsibilities clearly delegated to Executives and other senior officers. The documents ensure that:
- The interests of the Trust are protected;
 - Financial responsibilities are explained and the conduct of the Trust, its Directors, officers and agents in relation to all financial matters is regulated;
 - A financial framework is provided that will enable staff who comply with it to be confident that they are acting properly.
- 1.1.3 Any questions relating to the SFIs and SoD should be referred to the Chief Financial Officer or Deputy Chief Financial Officer. Any questions relating to the Standing Orders should be referred to the Company Secretary. The SFIs and SoD are formally adopted by the Board and shall be reviewed annually by the Trust.
- 1.1.4 For the avoidance of doubt, the SFIs and SoD apply to all Trust activity, including research and development, training and education, private patients, joint ventures and special purpose vehicles, unless specific exceptions are described in the sections of this document covering those areas.

1.2 Where can I find the information I need?

- 1.2.1 The SFIs and SoD provide guidance as to how the Trust governs itself and for staff to understand what they are and are not able to do under their delegated powers, which can be complex. The table below is designed to help signpost and direct staff to where they can find the information needed quickly and easily. [Appendix 3](#) contains the Trust's detailed Scheme of Delegation as approved by the Board.

Where can I find information on...	Help can be found here
An overview of individuals' responsibilities and general description of my duties	SFIs - Section 1 and 4.2
What I can sign, approve or purchase under my delegated authority	Appendix 3 Table 1
Who needs to approve my business case	Appendix 3
Who needs to sign a contract that I've been working on	See Standing Orders / Appendix 3 Table 1
What I am allowed to accept as gifts, hospitality or sponsorship	See Trust Declaration of Interests, Gifts and Hospitality Policy

How many quotes I need to obtain and when I need to formally tender	Appendix 3 Table 2
The powers that are reserved to the Board of Directors	SFIs – Section 2 and Appendix 2
Detailed guidance on the responsibilities of being a budget holder	SFIs - Sections 2.4 , 4.2 and 10 .
Where I need to take my capital investment case for approval	Appendix 3 Table 1
Fraud and Bribery	Section 3.5 . See also Trust Counter Fraud, Corruption and Bribery Policy .

1.3 Why are the SFIs and SoD important?

1.3.1 The Health and Social Care Act 2003 created NHS Foundation Trusts as new legal entities. The legislation constituted NHS Foundation Trusts with a governance regime with both local and external accountabilities. The framework of local accountability is to members through a Membership Council. Externally, while remaining part of the NHS, Foundation Trusts are licenced by, and accountable for the operation of their licence to NHS Improvement, the sector regulator for health services in England. NHS Improvement describes part of its role as:

“To ensure that the boards of NHS Foundation Trusts focus on good leadership and governance, in line with their duty to be effective, efficient and economic”

1.3.2 In addition, the Trust is audited externally each year and the external auditors have a duty to assure themselves that the Trust has proper arrangements for ensuring economy, efficiency and effectiveness in its use of resources.

1.3.3 Given the importance of these duties and compliance with the NHS Improvement licence, it is essential that the Trust has good governance and financial control. As such, failure to comply with the SFIs, SoD and Standing Orders may be a disciplinary matter which could result in dismissal.

1.3.4 These SFIs shall have effect as if incorporated in the Standing Orders (SOs) of the Trust. As the Board approves SFIs, they may only be overridden with the express authority of the Board.

1.3.5 This document identifies the financial responsibilities which apply to everyone working for the Trust. They do not provide detailed procedural advice, which is available elsewhere (see table above). The Chief Financial Officer must approve all financial procedures or specifically delegate their approval on a case by case basis.

1.3.6 The SFIs and SoD apply to any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this. They also apply to those representing the Trust in relation to any of its joint ventures, or other special purpose vehicles in which the Trust has an ownership interest, but do not apply to Trust staff with roles in other entities in which the Trust does not have an ownership interest (for example, Moorfields Eye Charity, other charities).

- 1.3.7 Should any difficulties arise regarding the interpretation or application of the SFIs and the SoD, **the advice of the Chief Financial Officer or Deputy Chief Financial Officer must be sought before acting**. Staff should also ensure they are familiar with and comply with the provisions of the SOs.

1.4 Terminology

- 1.4.1 Wherever the title Chief Executive, Director, or other nominated officer is used in these instructions, it should be deemed to include such other officers who have been duly authorised to represent them – for example through a formal and documented acting up or deputising arrangement. However, no individual is authorised to empower anybody who is not under his or her own organisational control, and delegation of responsibility does not remove accountability from the individual delegating.
- 1.4.2 References in these instructions to “**officer**” shall be deemed to include all employees of the Trust, including nursing and medical staff, consultants practising upon Trust premises, and employees of third parties contracted to the Trust when acting on behalf of the Trust and within the Trust’s control.

Standing Financial Instructions

2. OVERVIEW OF RESPONSIBILITIES AND DELEGATION

The purpose of the Scheme of Delegation (SoD) is to define those powers that are reserved to the Board while at the same time delegating to the appropriate level the detailed application of Trust policy and procedures. Therefore some powers and responsibilities are reserved to the Board (see [appendix 2](#)) whilst others are delegated (see [appendix 3](#)).

However, the Board remains accountable for all of its functions, even those delegated to the Chairman, individual Directors or officers, and should expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role. In addition, there may be circumstances in which the Board can determine that it is appropriate to resume any or all of its delegated powers. The [Trust's Constitution](#) separately describes the powers of the Membership Council.

A detailed SoD can be found in [appendix 3](#). This is approved by the Board and may only be changed with Board's approval. It is important to note that delegation of a function to a lower level does not relieve the person delegating that function of responsibility.

2.1 ROLE OF THE BOARD

The Board shall exercise financial supervision and control:

- (a) Agreeing the Trust's financial strategy;
- (b) Approving annual financial plans, including revenue, capital and financing;
- (c) Approving policies such as the SFIs, SoD and Standing Orders in relation to financial control and ensuring value for money;
- (d) Defining specific responsibilities placed on Directors of the Board and employees as indicated in the SoD.

2.2 ROLE OF THE CHIEF EXECUTIVE

- 2.2.1 The Chief Executive is ultimately accountable to the Board, and as Accounting Officer, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. He/she has overall executive responsibility for the Trust's activities; is responsible to the Chair 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.
- 2.2.2 The Chief Executive shall exercise all powers of the Trust that have not been retained as reserved by the Board (see [appendix 2](#)) or specifically delegated to an executive committee or sub-committee. The SoD identifies functions that he/she shall perform personally and functions delegated to other Directors and officers. All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise.
- 2.2.3 It is a duty of the Chief Executive to ensure that existing Directors of the Board and employees and all new appointees are notified of their responsibilities within these Instructions.
- 2.2.4 The Chief Executive and Chairman must ensure suitable recovery plans are in place to ensure business continuity in the event of a major incident taking place.
- 2.2.5 The Chief Executive and Chief Financial Officer will delegate their detailed responsibilities, but they remain accountable for financial control.
- 2.2.6 The Chief Executive is responsible for ensuring that financial performance measures with reasonable targets have been defined and are monitored, with robust systems and

reporting lines in place to ensure overall performance is managed and arrangements are in place to respond to adverse performance.

- 2.2.7 The Chief Executive may determine that powers devolved under this document and the detailed SoD ([appendix 3](#)) be taken back to a more senior level – for example, clinical divisions or other areas of the Trust that are deemed to be in financial recovery may be given a reduced level of devolved autonomy.
- 2.2.8 In accordance with guidance issued by NHS Improvement the Chief Executive is responsible for ensuring that the Trust provides an annual forward plan to NHS Improvement each year, together with monthly reports as required by NHS Improvement, which should be appropriately communicated to the Board and Membership Council.
- 2.2.9 The Chief Executive is responsible for ensuring that any issue which is identified which may materially impact on the Trust's ability to comply with its licence is communicated to the Board, and to the Membership Council, and reported to NHS Improvement.

2.3 ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for the following (see also [section 3.2](#) for the Chief Financial Officer's responsibilities in relation to audit):

- (a) Advising on and implementing the Trust's financial policies;
- (b) Design, implementation and supervision of systems 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;
- (c) Ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to report, with reasonable accuracy, the financial position of the Trust at any time;
- (d) Provision of financial advice to other Directors of the Board and employees;
- (e) 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.

2.4 ROLE OF OTHER DIRECTORS AND EMPLOYEES

In addition to conforming to the requirements of the SOs, SFIs and SoD, all Directors of the Board and employees, severally and collectively, are responsible for:

- (a) Security of the property of the Trust and avoiding loss;
- (b) Ensuring economy, efficiency and effectiveness in the use of resources, taking seriously the Trust's duty to ensure value for money in everything that it does;
- (c) Conforming with the requirements of financial procedures that the Board may approve (or delegate approval of) from time to time.

2.5 PUBLIC SERVICE VALUES

There are four crucial public service values that must underpin the work of all staff within the health service:

- (a) **Accountability** – everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct;
- (b) **Probity** – there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties;

- (c) **Openness** – there should be sufficient transparency about NHS activities to promote confidence between the NHS organisation and its staff, patients and the public;
 - (d) **Value for Money** – all staff committing the Trust’s resources have a duty to ensure value for money and may be asked to provide a value for money declaration for commitments that they have made.
- 2.6 Nothing in this document shall impair the discharge of the direct accountability to the Board of Directors of the Chief Financial Officer or other Executive Directors to advise the Board in accordance with statute or the requirements of NHS Improvement.
- 2.7 In the absence of a Director or officer to whom powers have been delegated those powers must be exercised by that Director or officer's manager unless alternative arrangements have been approved by the Board. If the Chief Executive is absent powers delegated to him/her may be exercised by the Deputy Chief Executive or in the absence of the Deputy Chief Executive the Acting Chief Executive after taking appropriate advice from the Company Secretary, and consulting with the Chair as necessary.
- 2.8 All powers are reserved to the Board unless stated otherwise in the SoD. The Board also has the right to resume its delegated powers.

3. AUDIT

3.1 AUDIT AND RISK COMMITTEE

- 3.1.1 The Trust shall comply with the directions of NHS Improvement and the prevailing legislation in relation to its audit requirements.
- 3.1.2 In accordance with SOs, the Board shall establish a Audit and Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook and in accordance with NHS Improvement’s Audit Code for NHS Foundation Trusts, to provide an independent and objective view of internal control.
- 3.1.3 Where the Audit and Risk 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 and Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS Improvement via the Chief Financial Officer.
- 3.1.4 It is the responsibility of the Chief Financial Officer to ensure an adequate internal audit and counter fraud service is provided and the Audit and Risk Committee shall be involved in the selection process for the internal audit and counter fraud service providers.

3.2 CHIEF FINANCIAL OFFICER’S ROLE IN AUDIT

- 3.2.1 In relation to audit, the Chief Financial Officer 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, ensuring that internal audit plans are adequate and meet the mandatory audit standards;
 - (b) Production of Annual Governance Statement, an audited document for inclusion within the Trust’s annual report, prepared in accordance with the prevailing guidance from NHS Improvement;
 - (c) Provision of annual reports including a strategic audit plan covering the coming three years, a detailed plan for the coming year, and progress against plan over the previous year, and regular reports on progress on the implementation of internal audit recommendations.

3.2.2 The Chief Financial Officer, designated auditors, Local Counter Fraud Specialist and Local Security Management Specialist are entitled without necessarily giving prior notice to require and receive:

- (a) Access to all records, documents and correspondence 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 Directors of the Board and employees of the Trust;
- (c) Any cash, stores or other property of the Trust under a Director of the Board and employee's control;
- (d) Explanations concerning any matter under investigation.

3.3 ROLE OF INTERNAL AUDIT

3.3.1 Internal Audit will review, appraise and report upon:

- (a) Extent of compliance with relevant established policies, plans and procedures, and the financial impact of non-compliance;
- (b) Adequacy and application of financial and other related management controls;
- (c) Suitability of financial and other related management data;
- (d) Extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from fraud, waste, extravagance, inefficient administration, poor value for money or other causes.

3.3.2 Internal Audit shall also independently assess the process in place to ensure the assurance frameworks are in accordance with current guidance from NHS Improvement.

3.3.3 The Head of Internal Audit is accountable to the Audit and Risk Committee (but managed by the Chief Financial Officer), will normally attend Audit and Risk Committee meetings, and has a right of access to all Audit and Risk Committee members, the Chairman and Chief Executive of the Trust.

3.3.4 The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit and Risk Committee and the Head of Internal Audit.

3.4 ROLE OF EXTERNAL AUDIT

3.4.1 It is for the Membership Council to appoint or remove the external auditors at a general meeting based on recommendations from the Audit and Risk Committee, who must ensure that external audit is providing a cost effective service that meets the prevailing requirements of NHS Improvement.

3.4.2 The Trust must ensure that the external auditor appointed by the Membership Council meets the prevailing criteria from NHS Improvement, at the date of appointment and on an on-going basis throughout the term of their appointment.

3.4.3 External audit responsibilities will vary from time to time in compliance with the requirements of NHS Improvement and are to:

- (a) Be satisfied that the statutory accounts, quality account and annual report (and the external auditor's own work) comply with the prevailing guidance and foundation trust annual reporting manual, including relevant accounting standards (e.g. IFRS);
- (b) Be satisfied that proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources, reported by exception;
- (c) Consider the issue of a public interest report; certify the completion of the audit and express an opinion on the accounts;

- (d) To refer the matter to NHS Improvement if the Trust, or a Director or employee of the Trust, makes or is about to make decisions involving potentially unlawful action likely to cause a loss or deficiency.
- 3.4.4 External auditors will ensure that there is a minimum of duplication of effort between themselves, Internal Audit and other relevant regulators e.g. NHS Improvement and Care Quality Commission; recognising the limitations that apply to external audit being able to rely on other work to inform their own work.
- 3.4.5 The Trust will provide the external auditor with every facility and all information which it may reasonably require for the purposes of its functions.

3.5 FRAUD AND BRIBERY

- 3.5.1 In line with best practice, the Chief Executive and Chief Financial Officer shall monitor and ensure compliance with Secretary of State Directions on fraud and bribery.

Fraud – Any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

Bribery – A bribe is offering, promising, or giving a financial, or otherwise, advantage to another person with the intention of bringing about improper performance or reward. The Bribery Act also states that a person is guilty of an offence if they request, agree to receive, or accept a financial or other advantage intending that a relevant function or activity should be performed improperly by them or another. It further states that offering or agreeing to accept a bribe is an offence even if no money or goods have been exchanged.

The Bribery Act 2010 covers the offences of offering and or receiving a bribe and introduced specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place. Under the Act, bribery is defined as “Inducement for an action, which is illegal, unethical, or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other privileges”. Corruption is broadly defined as “The offering or the acceptance of inducements, gifts, favours payments or benefit in kind which may influence the improper action of any person”; corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another. To demonstrate the organisation has sufficient and adequate procedures in place and to demonstrate openness and transparency, all staff are required to comply with the requirements of SFIs and SoD Policy. For a more detailed explanation, see the [Counter Fraud, Corruption and Bribery Policy](#). Should members of staff wish to report any concerns or allegations they should contact either the Chief Financial Officer or the Local Counter Fraud Specialist.

- 3.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the NHS Counter Fraud and Corruption Manual and guidance, managed by the Chief Financial Officer. Regular written reports will be provided by the LCFS to the Audit and Risk Committee, to include both proactive and reactive work.
- 3.5.3 The Chief Financial Officer shall prepare a [Counter Fraud, Corruption and Bribery Policy](#) that sets out the action to be taken by those detecting a suspected fraud and those investigating it.

3.6 SECURITY MANAGEMENT

- 3.6.1 The Chief Executive has overall responsibility for controlling and coordinating security.

- 3.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) and Security Management Director (SMD) as specified by the Secretary of State for Health guidance on NHS security management.
- 3.6.3 The Director of Estates and Facilities shall prepare a [Security Policy](#) that sets out measures to protect employees, visitors, premises and assets
- 3.6.4 Each employee and officer has a responsibility for the security of property of the Trust. Any breach of agreed security practices must be reported in accordance with instructions.

4. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING OF FINANCIAL PERFORMANCE

4.1 PREPARATION, APPROVAL AND SUBMISSION TO MONITOR OF ANNUAL PLAN

- 4.1.1 The Chief Executive will submit to the Board an annual plan for the following financial year and a strategic plan for future financial years, prepared in line with the prevailing NHS Improvement guidance and timetables.
- 4.1.2 Prior to the start of the financial year the Chief Financial Officer will, on behalf of the Chief Executive and in conjunction with other Directors of the Trust, co-ordinate and submit a financial plan for approval by the Board. This will include:
- (a) Income and expenditure budgets for each Division of the Trust;
 - (b) Expenditure budgets for corporate directorates and central contingencies;
 - (c) Consistency with the overall activity and workforce plans and other aspects of the annual plan;
 - (d) Identification of potential risks and opportunities within the plan;
 - (e) Plans for capital expenditure, including both replace and refresh of existing assets and new projects.
- 4.1.3 The Chief Financial Officer, working with other Directors, shall put in place a process to ensure budget holders at every level sign up to their allocated budgets, and shall monitor financial performance against plan and report financial performance to the Board on a regular basis.
- 4.1.4 All budget holders must provide information as required by the Chief Financial Officer to enable budgets to be compiled. The Chief Financial Officer has a responsibility to ensure that adequate training is delivered to budget holders to help them manage successfully.

4.2 BUDGETARY CONTROL, FINANCIAL MANAGEMENT AND REPORTING

- 4.2.1 In all organisations there is a need to plan, prioritise, manage and control resources. Budgetary control plays a fundamental and central role in these processes. It is essential that financial policies and procedures are consistently applied throughout the organisation to achieve financial control and therefore ensure the Trust meets its financial objectives and duties. This also ensures that the provision of high quality care to patients is not undermined through poor financial control processes.
- 4.2.2 The Chief Executive on the advice of the Chief Financial Officer will delegate the management of a budget to permit the performance of a defined range of activities.
- 4.2.3 The Chief Financial Officer will devise and maintain systems of budgetary control. These will include:
- (a) Monthly financial reports to the Board in a form approved by the Board containing summary information on income, expenditure, cash, balance sheet and capital expenditure, with explanations of material variances and any corrective action required;

- (b) The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
 - (c) A business partnering service (through finance business partners) to budget holders and managers providing high quality financial analysis including reporting of variances and monitoring of corrective action. It is a key responsibility of the business partners to provide constructive, and if necessary robust, challenge to budget holders and managers;
 - (d) Arrangements for the authorisation of budget transfers.
- 4.2.4 The Chief Financial Officer is responsible for managing and monitoring the overall cash flow of the Trust and for providing reports comparing month-end actual cash balances to plan, and annual projections.
- 4.2.5 All Directors of the Trust have a responsibility to meet their financial targets as agreed in the annual plan approved by the Board. Divisional managers and divisional directors are jointly and severally accountable for meeting their financial targets.
- 4.2.6 Each budget holder is accountable for all income and expenditure within their area of responsibility, and must balance achievement of financial targets against other areas of performance for which they are responsible, ensuring that value for money is assured at all times. The Management Executive may set out guidance around the prioritisation of financial and non-financial targets if required. All budget holders have a duty alongside their non-financial responsibilities to ensure that:
- (a) Control of spending is maintained within budget and if applicable income targets and efficiency targets are achieved, through regular monitoring. Where a budget holder is responsible for both income and expenditure targets (for example, a divisional manager or divisional clinical director), the relevant Executive Director may agree that a budget holder's accountability is defined as meeting their bottom line contribution margin target rather than individual income targets and expenditure budgets;
 - (b) Expenditure is only committed when there are sufficient resources in their budget to finance such expenditure along with other known commitments and anticipated costs for the remainder of the financial year;
 - (c) Procedures in relation to procuring or ordering goods and services are adhered to;
 - (d) Any likely overspending or underperformance against income targets is forecast, understood and reported to the relevant Director;
 - (e) Corrective action is put in place, with the support of their finance business partner, in the event that financial targets are forecast to be missed;
 - (f) Budgets are used for the purpose for which they were set, subject to the rules of virement (i.e. budget transfer) as set out in the detailed SoD (see [appendix 3](#));
 - (g) Workforce is maintained within budgeted establishment unless expressly authorised by a manager or Director within their delegated authority;
 - (h) Non-recurring budgets are not used to finance recurring expenditure;
 - (i) No agreements are entered into without the proper authority (for example, leases or service developments).
- 4.2.7 All budget virements across divisions must be signed as agreed by both budget holders.
- 4.2.8 Capital expenditure is also subject to the rules applying to delegation and reporting. Further detail on capital expenditure is in [section 13](#).
- 4.2.9 The budgeted establishment of any department is the responsibility of individual budget holders and must only be varied as defined within the Trust's Reservation of Powers to the Board and SoD.

5. ANNUAL ACCOUNTS AND REPORTS

- 5.1 The Chief Financial Officer, on behalf of the Trust, will:
- (a) Prepare annual accounts, in respect of each financial year, in the form prescribed by NHS Improvement in the NHS Foundation Trust Annual Reporting Manual (FT ARM) and in accordance with the required accounting standards;
 - (b) Prepare financial returns as required by NHS Improvement in accordance with the accounting policies and financial reporting guidance prescribed by NHS Improvement.
- 5.2 The Trust will publish an annual report, in accordance with NHS Improvement's guidance, and present it at a public (members') meeting. The annual report includes the statutory accounts, quality account, remuneration report, annual governance statement, audit opinion, strategic report and any other components as required by NHS Improvement. The full report will be laid before Parliament and submitted to NHS Improvement, appropriately signed by the Chief Executive, Chair and Chief Financial Officer (as accountable officers) and must be received by the Membership Council.

6. BANK ARRANGEMENTS

- 6.1 The Chief Financial Officer 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 issued from time to time by NHS Improvement; the Board must approve these banking arrangements.
- 6.2 The Chief Financial Officer is responsible for bank account matters, including:
- (a) Establishing separate bank accounts for the Trust's non-exchequer funds;
 - (b) Reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn;
 - (c) Setup of bank accounts to service, as required, the Trust's joint ventures and special purpose vehicles (for example, social enterprise companies, LLPs, companies limited by guarantee) and procedures associated with these.
- 6.3 The Chief Financial Officer will prepare detailed procedures on the operation of bank accounts which must include:
- (a) The conditions under which each bank account is to be operated, which must be advised in writing to the Trust's bankers, including any overdraft limit;
 - (b) Those authorised to sign cheques or other orders drawn on the Trust's accounts and the limitation on the single signatory payments.
- 6.4 All funds shall be held in the name of the Trust. Only the Chief Executive or Chief Financial Officer can open any bank account in the name of the Trust.
- 6.5 Any investment of surplus cash, with the exception of temporary transfers of cash for working capital purposes to the Trust's commercial bank account for the express purpose of paying suppliers and staff, must be approved by the Board, or by a Committee to which the Board has delegated this approval. Any investment must be in line with the Trust's internal policies and NHSI guidance
- 6.6 The Chief Financial Officer will review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money.
- 6.7 The Managing Director of Moorfields Eye Hospital Dubai will be responsible for preparing detailed instructions on the operation of bank accounts for their business, subject to approval by the Chief Financial Officer.
- 6.8 Where Officers of the Trust wish to manage non Trust funds such as ward funds or funds from donated sources, they are required to liaise with Moorfields Eye Charity who will

manage the funds on their behalf (see [section 18](#)). It is not appropriate for any officer of the Trust to hold any such account in their own names. The only exception to this will be where the Chief Financial Officer may authorise Officers to maintain accounts which have been deemed acceptable, such as accounts for social or sports clubs. The CFO will maintain a register of such accounts, and the details will be reported to the Audit and Risk Committee as required.

7. FINANCIAL SYSTEMS AND TRANSACTION PROCESSING

- 7.1 The Chief Financial Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper and prompt recording, invoicing, collection, banking and coding of all monies due. This includes responsibility for an effective credit control system incorporating procedures for recovery of all outstanding debts due to the Trust. Income not received should be dealt with in accordance with losses procedures (see [section 15](#)).
- 7.2 The Trust shall follow the national tariff system for Payment by Results (PBR) and Department of Health and NHS Improvement guidance and codes of conduct. The setting of fees and charges other than those within PBR or set by statute, including private patient prices, remains the responsibility of Directors and budget holders, subject to prior approval of the Chief Financial Officer unless specifically delegated in the SoD ([appendix 3](#)).
- 7.3 All employees must inform their finance business partner promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 7.4 All invoices must be raised by staff within the finance function, unless specifically agreed otherwise by the Chief Financial Officer.
- 7.5 All Trust charges incurred for the treatment of private patients must be recorded and collected in accordance with the Moorfields Private procedures.
- 7.6 The Chief Financial Officer is responsible for:
- (a) 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;
 - (b) Prescribing systems and procedures for handling cash and other financial instruments on behalf of the Trust, including those in relation to officially recording monies received or receivable and the secure control of any related stationery.
- 7.7 Trust money shall not under any circumstances be used for personal private purposes.
- 7.8 All monies shall be banked promptly and intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Financial Officer.
- 7.9 The Trust requires all payments to be made using credit/debit cards or by direct bank transfer. Cash or cheques are only accepted in exceptional circumstances. The Trust will not accept cash for a single transaction greater than £5,000 and will take reasonable measures to guard against money laundering.
- 7.10 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.
- 7.11 Where cash collection is undertaken by an external organisation this shall be subject to such security and other conditions as required by the Chief Financial Officer.
- 7.12 All payments made on behalf of the Trust to third parties should normally be made using the Bankers Automated Clearing System (BACS), or, in exceptional circumstances only, by

crossed cheques and drawn up in accordance with these instructions, except with the agreement of the Chief Financial Officer. Uncrossed cheques shall be regarded as cash.

8. CONTRACTS FOR PROVISION OF HEALTHCARE SERVICES

- 8.1 The Board of Directors will approve standard terms and conditions for legally binding contracts that will include use of the NHS Standard Contracts for Acute Hospital Services, on the basis of which the Trust will provide healthcare services. Any variations to the standard terms and conditions will be approved in accordance with the Scheme of Delegation. The Chief Executive through the Chief Financial Officer is responsible for negotiating contracts for the provision of services to patients. In carrying out these functions, the advice of the Chief Financial Officer should be followed regarding costing and pricing of services, payment terms and conditions and amendments to service agreements.
- 8.2 Contracts should be devised as to achieve national and local activity and performance targets, manage risk and to maximise the Trust's opportunity to generate income. Reference should be made if appropriate to the guidance published by the NHS Improvement/England in relation to "Payment by Results" and the guidance of the Independent Regulator of Foundation Trusts in relation to service line reporting.
- 8.3 The Chief Financial Officer shall ensure that a summary relating to the Trust's contracts is reported annually to the Board of Directors. The Chief Financial Officer shall also produce regular reports detailing actual and forecast contract income with a detailed assessment of the impact of the variable elements of income.
- 8.4 Any pricing of contracts at marginal cost should be approved explicitly by the Chief Financial Officer.
- 8.5 The Trust will comply with its responsibilities under the NHS Improvement licence to maintain an up to date record of commissioner-requested services.

9. STAFF APPOINTMENTS, TERMS AND PAYMENT

- 9.1 In accordance with SOs, the Board shall establish a Remuneration and Nominations Committee, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. The Board will approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees not covered by the Committee but which are within the Trust's control.
- 9.2 The hiring of temporary staff and any engagement of high cost interim staff must comply with the Trust's workforce policies and procedures and must be within the limit of approved staff budgets. Any engagement of individuals to provide a service to the Trust, whether directly engaged or through a limited company arrangement, is subject to the Trust's policies. Directors and employees have a responsibility to ensure that such arrangements are appropriately authorised, provide value for money and do not expose the Trust or the individual to tax and HMRC compliance risks (for example if HMRC later deems the individual to be an employee rather than a contractor).
- 9.3 The Chief Financial Officer shall make arrangements for the provision of payroll services to the Trust, to ensure the accurate determination of pay entitlement and to enable prompt and accurate payment to employees.
- 9.4 The Human Resources Director shall be responsible for establishing procedures to ensure prompt and accurate submission of data through the human resources system including notification of new employees, amendments and terminations.
- 9.5 The Chief Financial Officer shall ensure that payroll provision is supported by adequate internal controls and audit review procedures.
- 9.6 All staff and managers have responsibility of ensuring that:

- (a) Time records and other notifications are submitted within agreed timetables as prescribed by the Chief Financial Officer or Human Resources Director;
- (b) Notification of termination of employment is submitted in the prescribed form immediately upon knowing the effective date of resignation, termination or retirement;
- (c) The workforce team and relevant managers are notified immediately where an employee fails to report for duty in circumstances that suggest they have left without notice or are absent without authorisation.

9.7 The Board shall delegate responsibility to the Human Resources Director 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;
- (c) Maintaining a full minimum data set for each employee or contract worker, including information relating to mandatory training.

10. EXPENDITURE

10.1 DELEGATION OF AUTHORITY TO COMMIT EXPENDITURE

The Chief Executive will determine the level of delegation to budget managers (see SoD in [appendix 3](#)) and will set out the list of managers who are authorised to approve requisitions/invoices for the supply of goods and services and the maximum level of each requisition/invoice and the system for authorisation above that level.

10.2 REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES

10.2.1 Procurement Advice (Please see the procurement strategy and policy for more details)

- (a) The Trust has in place the procurement guidance that guides employees on the processes to obtain goods and services. These must be followed in all purchasing and supplies activity.
- (b) The Chief Financial Officer is responsible for updating this guidance and putting in place procedures to ensure that this guidance is followed. Where the advice is not acceptable to the requisitioner, the Chief Financial Officer (and/or the Chief Executive) must be consulted. Details of tender procedures can be found in [appendix 1](#).
- (c) The 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 procurement service, Partners Procurement Service (PPS) should be sought.
- (d) Where this advice is not acceptable to the requisitioner, the Chief Financial Officer should be consulted.
- (e) All goods, services, or works shall be ordered on an official Trust Purchase Order except where agreed by the procurement service or in the procurement guidance.

10.2.2 Chief Financial Officer's Role in relation to procurement of goods and services

(a) Thresholds

To advise the Board regarding the thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained. These can be found in [appendix 3 table 2](#).

(b) Accounts Payable System

To design and maintain a system of verification, recording and payment of all amounts payable. The system shall provide for:

- (i) A list of Directors/employees authorised to certify invoices;
- (ii) Confirmation that goods or services have been duly received in accordance with specification and of the requisite standard, and that prices are correct and the invoice is arithmetically correct;
- (iii) Prompt payment of all properly authorised accounts and claims, only once goods and services are received (except as indicated in prepayments section below), in accordance with contract terms;
- (iv) Approvals process for submission to the Chief Financial Officer or bank signatory as delegated to by the Chief Financial Officer of accounts for payment.

(c) Building & Engineering Contracts

In the case of contracts for building and engineering works which require payment to be made on account during the progress of the works, the Chief Financial Officer shall make payment on receipt of a certificate from the appropriate Technical Consultant or employee. The Director of Estates and Facilities should maintain a contracts register for all building and engineering contracts.

(d) Education & Training

The Chief Financial Officer shall ensure that procedures are put in place to ensure that all education and training activities are properly accounted for. The Human Resources Director and Director of Education shall be responsible for ensuring that all funding is utilised appropriately.

(e) Time & Materials Contracts

In the case of contracts based on the measurement of time, materials or expenses, the Chief Financial Officer shall put in place procedures to ensure that the time and rates charged are correct.

10.2.3 Responsibility of Other Employees

All employees must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and laid out in these SFIs and detailed SoD ([appendix 3](#)).

(a) Contracts - see section 11

(b) Orders

- (i) All employees are reminded to abide by the Trust's policies and procedures in relation to placing orders with firms that have offered or provided gifts, rewards or benefits to employees, and additional approvals are required where transactions are with parties where there is a declared interest between the party and the Moorfields employee approving the order or expenditure. For further details, please see the [Declaration of Interests, Gifts and Hospitality Policy](#). All employees should follow this guidance in relation to orders;
- (ii) Budget holders should ensure that sufficient budget is available;

- (iii) All goods, services, or works should be ordered through the e-procurement system with a purchase order number, except if specifically excluded in guidance issued by PPS;
- (iv) Verbal orders must only be issued in emergencies and by an employee designated by the Chief Executive. These must be confirmed by an official order;
- (v) Splitting or otherwise changing orders in a manner devised so as to avoid the financial thresholds is forbidden;
- (vi) Goods and services ordered must comply with Trust policies (for example in relation to the ordering of medicines, blood, manual handling equipment, ICT equipment or electrical medical equipment);
- (vii) Must be uniquely identified by use of an internally approved process and in a form agreed by the Chief Financial Officer (which may be via email or electronic data interchange (EDI));
- (ix) Employees must not deal directly with suppliers or place direct orders without the prior approval of the Chief Financial Officer;
- (x) Orders for supply of Medicines to the Trust can only be placed by Pharmacy.

(c) Goods on Trial or Loan

Goods and services for which Trust contracts are in place must be purchased within those contracts. Any purchasing request outside of such contracts must have prior approval from the Chief Financial Officer.

Goods must not be taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase.

(d) Invoices

All invoices must be authorised and goods received documentation provided in a timely manner, in order to facilitate prompt settlement of supplier accounts.

(e) List of Authorised signatories

The Chief Financial Officer is responsible for ensuring that there is a system to maintain an authorised signature list, including the process for approval of new signatories. Any changes should be notified by employees through this process.

11. TENDERING AND CONTRACT PROCEDURES (see [appendix 3 table 2](#) for tender and quotation thresholds)

11.1 OVERVIEW

11.1.1 The financial value of a project, contract or order against which the thresholds in [appendix 3 table 2](#) apply is the total cost, including (as appropriate) all works, furniture, equipment, fees, land, but excluding VAT, for the whole expected life of the contract. Splitting or otherwise changing orders in a manner devised so as to avoid the financial thresholds is forbidden.

11.1.2 Thresholds apply to the total value of all orders placed with a single supplier for related goods or services. Therefore if one division places a first order and another division wishes to place a subsequent order with the same supplier for related goods or services within a similar timeframe (within two months), it is the combined order value that should be reviewed against the threshold. If there is any uncertainty, employees should contact the Chief Financial Officer.

11.1.3 **Value for Money requirement:** the Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. It is the responsibility of all Directors and employees of the Trust to ensure value

for money at all times and to review all contracts prior to signing (or submitting for signature).

11.1.4 All tenders will be managed within the process established by the Chief Financial Officer, and this will include maintenance of a register of tenders.

11.1.5 All third party contracts for the supply of goods/services will be maintained in a contracts database maintained by PPS.

11.2 DIRECTIVES AND GUIDANCE

11.2.1 **EU Directives Governing Public Procurement:** Directives by the Council of the European Union prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these SFIs. European Union Directives shall take precedence wherever non- conformity occurs.

11.2.2 **Other Guidance:** The Trust shall comply as far as is practicable with the requirements of any other regulation/guidance issued by Government Bodies.

11.2.3 **Potential advice conflicts or ambiguity:** If the sources of advice appear to conflict or there is ambiguity as to which advice takes precedence, the Trust's procurement service PPS should be consulted.

11.3 FORMAL COMPETITIVE TENDERING

11.3.1 Use of Tendering

The Trust shall ensure that competitive tenders are invited for the supply of goods and services including management consultancy services, design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) and for disposals, all subject to the thresholds in [appendix 3 table 2](#).

11.3.2 Waiving of Tenders

Formal competitive procedures may be waived by Chief Financial Officer or Deputy Chief Financial Officer. Note that a waiver is **not** required where goods or services have already been purchased under a framework that has already been completed and where further competition is not required by that framework – Partners Procurement Service (PPS) should be consulted if there is any doubt as to whether a waiver is required.

There are four allowable reasons for waiving tenders, which should never be used to avoid competition or for administrative convenience:

- (a) The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender;
- (b) Specialist expertise is required and is available from only one source;
- (c) The task is essential to complete a project and engaging different consultants for the new task would compromise completion of the project;
- (d) There is clear benefit from maintaining continuity that outweighs any potential financial advantage to be gained by competitive tendering.

11.3.3 Waiver forms

The Trust has a simple to use waiver form and process available through the [Trust procurement intranet page](#). All such waivers must be received by Partners Procurement Service (PPS) before any official order is placed on behalf of the Trust. Waivers should be documented and reported by the Chief Financial Officer to the Audit and Risk Committee

on a regular basis. Any member of staff may raise a request for a waiver, which must then be approved in line with the Trust's SoD.

11.4 QUOTATIONS

11.4.1 Quotations are required for the supply of goods, services or products above the thresholds described in [appendix 3 table 2](#), with the number required depending upon total value. All quotations should be received in writing, which may be by email unless specified otherwise in appendix 3. Quotations should be obtained from firms/individuals based on specifications or terms of reference prepared by the user department. PPS should be consulted where necessary for assistance in obtaining quotations. All quotations sought should be on NHS Standard Terms and Conditions of Contract and should be in writing as specified in appendix 3.

11.4.2 All quotations should be treated as confidential and should be retained for inspection. The nominated officer should evaluate the quotations and select the one which gives best value. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be sent to PPS, where the reasons will be held in a permanent record, available on request to the Audit and Risk Committee.

11.5 COMPETITIVE TENDERING OF IN-HOUSE SERVICES

11.5.1 In all cases where the Trust determines that in-house services should be subject to competitive tendering the following groups shall be set up:

- (a) A specification group, comprising the Lead Director or nominated officers;
- (b) An evaluation group, comprising normally a specialist officer, a procurement officer and a Chief Financial Officer representative, which will make recommendations to the Board.

11.5.2 The Chief Executive shall nominate an officer to oversee and manage the contract in the event that a service previously provided in-house is outsourced.

11.6 CONTRACTS

11.6.1 The Trust may only enter into contracts within its statutory powers and shall comply with this document, Public Contract Regulations 2015 and any other statutory provisions, and any relevant internal policies or procedures.

11.6.2 All contracts (other than for a simple purchase permitted within the SoD or delegated budget), tenancy agreements and other commitments which may result in a liability must be approved by the Chief Financial Officer in advance of any commitment being made. This includes contracts with **nil cost** or consignment stock but which may result in non-financial commitments or financial consequences from any contract breakage.

11.6.3 Procurement of management consultants should be in line with the Public Contract Regulations 2015, using national framework agreements where possible.

11.6.4 The Director of PPS is responsible for holding a central register of contracts for goods and services. All Trust employees who manage contracts directly outside of PPS are responsible for either informing PPS of these contracts to add to the central register, or to add the contract details independently.

11.6.5 Where possible contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited, with NHS standard contract conditions where applicable.

11.7 MEDICINES EXPENDITURE

All medicines must be sourced and purchased by Pharmacy in line with the delegated authority laid out in SoD and [appendix 4](#). Doctors, nurses and healthcare professionals must not order from or contract directly with any supplier.

11.8 EXTERNAL BORROWING

- 11.8.1 The Trust may wish, from time to time, to borrow funds either to manage short-term working capital requirements or to fund longer-term strategic developments or capital projects. Such borrowing should be detailed in the Trust's financial plan as approved by the Board, and must be compliant with the prevailing guidance from NHS Improvement. Any borrowing outside of the Board approved financial plan or previously delegated authority from the Board must have Board approval.
- 11.8.2 The Chief Financial Officer has a duty to secure the most preferential borrowing rate (after any Public Dividend Capital (PDC) dividend impact), and will advise the Board concerning the Trust's ability to pay interest on, and repay, the debt. Regular reports to the Board will include information on interest and debt.
- 11.8.3 Any application for new borrowing will only be made by the Chief Financial Officer or by an officer acting on his behalf. The Chief Financial Officer must ensure borrowing complies with the instructions issued by NHS Improvement.
- 11.8.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement must be authorised by the Chief Financial Officer.
- 11.8.5 Securing loans on Trust assets requires Board approval and the impact on the Trust's Licence Conditions to provide commissioner-requested services in the event of any loan default should be considered.

12. SPECIAL PURPOSE VEHICLES, JOINT VENTURES, EQUITY INVESTMENTS, MERGERS AND ACQUISITIONS AND DIVESTMENT OF SERVICES

- 12.1 The Board of Directors is responsible for the review and approval of special purpose vehicles, joint ventures with other entities, whether private, public or third sector, divestment of existing services and purchases of shares in a company. These decisions must be demonstrated to be in patients' and taxpayers' best interests without a material impact upon choice and competition, to ensure high quality standards of care and value for money.
- 12.2 The Board of Directors must approve any Mergers or Acquisitions. For all the above, advice should be sought from the Trust's Chief Financial Officer and Commercial Director prior to taking proposals for approval, and it is essential that current legislation, including procurement and competition law as well as the prevailing Health and Social Care Act, is adhered to in the process.

13. CAPITAL INVESTMENT AND ASSETS

- 13.1 The Chief Executive shall:
- (a) Ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities;
 - (b) Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - (c) Ensure that the capital investment is not undertaken without appropriate confirmation of the availability of resources to finance all revenue consequences, including depreciation and PDC dividend implications.
- 13.2 Business Cases: The approval process for capital expenditure is dependent upon the value of the project in both capital and revenue terms. [Appendix 3](#) sets this out. Advice on

capital business cases should be sought from the relevant Finance Business Partner or the Financial Controller.

- 13.3 The Chief Financial Officer shall put in place procedures, delegating as necessary, to certify professionally to the costs and revenue consequences detailed in any business case that requires approval by the Capital Programme Oversight Group, Trust Management Board, Strategy and Investment Committee or Board of Directors.
- 13.4 The Chief Financial Officer and Director of Estates and Facilities shall produce an annual capital programme plan for approval by the Board as part of the overall financial plan. The approval of a capital programme shall not constitute approval for the initiation of expenditure on any scheme.
- 13.5 The Chief Financial Officer should put in place procedures to ensure regular reporting of expenditure and commitment against authorised capital expenditure. Any variances against plan that trigger NHS Improvement's review thresholds will result in a re-forecast of capital expenditure for NHS Improvement.

13.7 ASSET REGISTERS

- 13.7.1 The Chief Executive is responsible for the maintenance of registers of capital assets, taking into account the advice of the Chief Financial Officer 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 once a year on a sample basis in line with external audit requirements.
- 13.7.2 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, architects' certificates, suppliers' invoices, finance lease agreements and other documentary evidence in respect of purchases from third parties;
 - (b) Stores, requisitions and salary records for own materials and labour.
- 13.7.3 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). The disposal must be authorised in accordance with the Trust's disposals policy and the Deputy Chief Financial Officer or Financial Controller must be consulted in relation to determining the correct accounting treatment of the disposal. Land and building disposals will generally follow the guidance contained in DoH Health Building Note 00-08 Part B. If the disposal relates to medical equipment, refer to the [Medical Devices and Equipment Policy](#). For the disposal of all other assets, contact the Finance department.
- 13.7.4 Depreciation and revaluation of assets should be undertaken in line with the Trust's prevailing accounting policies as detailed in the notes to the Trust's statutory accounts. The Financial Controller shall calculate and pay capital charges in line with the prevailing guidance from the Department of Health and NHS Improvement.

13.8 SECURITY OF ASSETS

- 13.8.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 13.8.2 The Chief Financial Officer must approve asset control procedures (including fixed assets, cash, cheques and financial instruments, including donated assets), or delegate to an appropriate officer of the Trust. These procedures shall make provision for:
 - (a) Recording managerial responsibility for each asset;
 - (b) Identification of additions and disposals;
 - (c) Identification of expenses associated with the retention of the asset (e.g. repairs and maintenance);

- (d) Physical security of assets, where possible marking assets as Trust property;
- (e) Periodic verification of the existence of, condition of, and title to, assets;
- (f) Reporting, recording and safekeeping of cash, cheques, and other financial instruments.

13.8.3 All discrepancies revealed by verification of physical assets to fixed asset register must be notified to the Chief Financial Officer.

13.8.4 Any damage or loss of assets should be reported in accordance with the procedure described in section 14 of this document.

14. STOCK AND RECEIPT OF GOODS

14.1 Stock, defined in terms of controlled stock and departmental stock (for immediate use) should be kept to a minimum, subjected to an annual stock take (more regular stock takes are recommended for areas with high cost consumables) and costed in line with the Trust's accounting policy.

14.2 The Chief Executive or Chief Financial Officer shall delegate responsibility for the control of stock to employees such as stores managers, the head of pharmacy (for medicines) or estates manager (for fuel), subject to such delegation being entered in a record available to the Chief Financial Officer.

14.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager, and stocks should be marked as Trust property where practicable.

14.4 The Chief Financial Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses. Any losses of obsolete or expired stock should be reported and any malpractice dealt with (see section 14.3), any alternative arrangements (where complete stock control is not justified) requiring approval of the Chief Financial Officer.

14.5 PPS is responsible for ensuring procedures are in place to properly requisition, order, receive and receipt goods. This procedure must include the process to be followed in the event of any discrepancies.

15. DISPOSALS, LOSSES AND SPECIAL PAYMENTS

15.1 The Chief Financial Officer is responsible for the Trust's policy on disposal of assets, including condemnations (i.e. where assets are deemed no longer fit for purpose and are taken out of use), taking into account internal and external advice (as necessary) as to the estimated market value of the item.

15.2 All unserviceable articles shall be condemned or disposed of in line with the disposal policy and scheme of delegation (see [appendix 3](#)) and recorded in an approved form. Any suspicion of negligence or fraud should be reported to the Chief Financial Officer or LCFS.

15.3 LOSSES AND SPECIAL PAYMENTS

15.3.1 The Chief Financial Officer must prepare procedures for the recording and accounting of condemnations, losses, and special payments.

15.3.2 Any employee or officer discovering or suspecting a loss of any kind must immediately ensure that the Finance Business Partner or Financial Controller is informed.

15.3.3 Where a criminal offence is suspected, the Chief Financial Officer must inform the local security management specialist (LSMS), and in cases of fraud or suspected fraud the LCFS must be informed.

- 15.3.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Financial Officer must immediately notify the LSMS the Board and the external auditor.
- 15.3.5 The Chief Financial Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations, including consideration of insurance claims.
- 15.3.6 The Chief Financial Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded and reported to the Audit and Risk Committee.

16. FINANCE AND PROCUREMENT SYSTEM

- 16.1 The Chief Financial Officer, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- (a) Devise and implement appropriate technical and organisational measures necessary to ensure adequate and reasonable protection of the Trust's data;
 - (b) Follow the Trust's existing [Information Governance Policy](#);
 - (c) Ensure that adequate and reasonable controls exist over Trust computer network to ensure confidentiality, integrity, security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - (d) Ensure that adequate controls (including separation of duties) exist;
 - (e) Ensure that an adequate audit trail exists through the computerised system.
- 16.2 The Chief Financial Officer must ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. These requirements apply equally if systems are jointly developed or procured in conjunction with other organisations, with suitable warranties, indemnities and audit rights provided.
- 16.3 The Chief Financial Officer and Chief Information Officer must satisfy themselves that, where other computer systems may have an impact upon the finance and procurement system, the integrity of the finance and procurement system is not compromised.
- 16.4 The Chairman and Chief Executive shall ensure that risks to the Trust arising from the use of the finance and procurement system are effectively identified and considered and appropriate action is taken to mitigate or control risk in relation to business continuity and the requirements of the data protection act.

17. PATIENTS' PROPERTY

- 17.1 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 patients dying in hospital or dead on arrival.
- 17.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission 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.
- 17.3 The Chief Financial Officer, in conjunction with Chief Operating Officer, is responsible for maintaining procedures on the collection, custody, recording, safekeeping, and disposal of patients' property.

18. FUNDS HELD ON TRUST

As set out under Section 22 of the Health and Social Care (Community Health and Standards) Act 2003, Moorfields Eye Charity is empowered to accept, hold and administer any property on Trust for the general or specific purposes of the NHS Foundation Trust or for any purposes relating to the Health Service. Moorfields Eye Charity is responsible for financial regularity, prudence and propriety.

19. ACCEPTANCE OF GIFTS / HOSPITALITY / SPONSORSHIP

The [Declaration of Interests, Gifts and Hospitality Policy](#) describes the obligations of employees in relation to accepting gifts, hospitality or sponsorship.

20. RETENTION OF RECORDS

The [Information Lifecycle Policy](#) describes the obligations of employees in relation to retention and management of records. [Records Management Code of Practice for Health and Social Care 2016](#), in its appendix 3, sets out the retention periods.

21. RISK MANAGEMENT AND INSURANCE

21.1 RISK MANAGEMENT PROGRAMME

21.1.1 The Chief Executive shall ensure the Trust has a programme of risk management, in accordance with current NHS Audit Committee Handbook, Care Quality Commission and NHS Improvement requirements, which must be approved and monitored by the Board.

21.1.2 The programme of risk management shall include:

- (a) A process for identifying and quantifying risks and potential liabilities, including potential future risks;
- (b) Engendering among all levels of staff a positive attitude towards the control and reporting 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) A robust process to review strategic and operational risks, both current and future, to inform the Annual Governance Statement, an audited statement in the Trust's annual report as required by NHS Improvement.

21.2 INSURANCE

21.2.1 The Board shall decide if the Trust will insure through the risk pooling schemes administered by NHS Resolution, purchase liability insurance from commercial insurers or self-insure for some or all risks. The Chief Financial Officer is responsible for ensuring procedures are in place in relation to the "deductible" or "excess" on any risk pooling or other insurance schemes.

21.2.2 If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical liability / property / employers / third party/ products liability and professional indemnity) covered by the scheme, this decision shall be reviewed annually based upon the Chief Financial Officer's advice as to the nature and extent of the risks that are covered in this way or remain with the Trust.

21.2.3 Where the Board decides to use the risk pooling schemes administered by NHS Resolution or purchase liability insurance from commercial insurers the Chief Financial Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Financial Officer shall ensure that documented procedures cover these arrangements.

22. TAXATION

22.1 The Chief Financial Officer shall ensure that the Trust's liabilities for taxation are managed appropriately, taking full account of available concessions, through maintenance of appropriate records, the preparation and submission of required returns and recovery of deductions at source.

22.2 VALUE ADDED TAX (VAT)

- (a) Payment and recovery of VAT is the responsibility of the Chief Financial Officer who will ensure that procedures and systems are in place to ensure compliance with prevailing VAT regulations;
- (b) Where managers are unsure of the VAT status of any particular transaction, advice will be provided from the Finance Department, who will seek specialist external advice if necessary.

22.3 CORPORATION TAX

The Chief Financial Officer is also responsible for assessing the Corporation Tax Liability of the Trust in relation to the Trust's profitable trading activities or investments in joint ventures or other special purpose vehicles.

23. RESEARCH & DEVELOPMENT FINANCIAL GOVERNANCE

23.1 The principles and rules contained in this document (together with other relevant policies such as those governing hospitality) apply equally to all research and development activity at, or administered by, the Trust.

23.2 Financial probity and compliance with external requirements for the use of public funds are as applicable to R&D activities as to any other activities being undertaken within the Trust. More detail on the governance arrangements for R&D can be found in the Department of Health's "Research Governance Framework for Health and Social Care" and in the Trust's own Research Governance procedures.

23.3 There are two types of R&D activity as follows; both of which are covered by this document.

(a) "Commercial R&D" - where R&D is primarily conducted for commercial purposes and funded by an external company, for example a drug trial prior to licensing

(b) "Non – Commercial R&D" – where R&D is funded by a charitable organisations, a Research Council, the Department of Health or other government agencies. The Biomedical Research Centre (BRC), the Trust's main source of R&D income, is included within this category.

23.4 All research and development activities within the Trust shall be notified to the Director of Research & Development. The Chief Financial Officer shall ensure that procedures are put in place to ensure that all such activities are properly accounted for and that funding is utilised appropriately.

23.5 All parties involved in R&D activity must ensure that they understand and adhere to the relevant Trust policies and procedures, accessing the key documents via the appropriate sources on the intranet when specific guidance is needed, and gaining additional advice/support as appropriate. The following policies will apply in addition to this document and the detailed scheme of delegation (SoD) at [appendix 3](#)):

- (a) Standing Orders of the Trust;
- (b) Procurement policies and procedures;
- (c) Human Resource (workforce) policies and procedures;
- (d) Accounting and budgetary control policies and procedures;

(e) Payroll policies and procedures including those relating to taxation.

- 23.6 All dealings with industry regarding commercial research must be authorised by the Trust's R&D Office. Under no circumstances should an individual employee enter into a contract with industry in a personal capacity to undertake research involving NHS patients. Only protocols registered with the R&D Office will be covered by the NHS indemnity arrangements. The Trust will not accept liability for any activity that has not been properly registered and managerially approved.
- 23.7 Researchers, supported by Research Finance Business Partner and input from Clinical Research Network, should ensure that any commercial partner is financially stable, and thus in a position to fulfil their financial obligations; all contracts should include termination clauses unless specifically agreed by the Director of R&D.
- 23.8 Trust employees must follow the agreed current Trust procedures for the financial management of all applications for research funding. No application should be submitted without having been properly costed and being subject to these processes. Standard Trust processes for capital investment and business case approval should also be followed, comprehensively assessing the likely resources required (including other areas of the Trust impacted by the proposed project, such as clinical support or corporate services). These must not wholly rely upon partner organisation estimates of costs. It is important that any commitment to R&D expenditure has a funding source, and that recurrent commitments are matched with recurrent funding. This applies to all expenditure including depreciation on R&D assets that are owned by the Trust.
- 23.9 The full cost of the activity of commercially funded R&D must be recovered for research in which the intellectual property rests entirely with the company. Where intellectual property is shared, the level of cost recovery can be reduced in line with the potential benefits, subject to the general principles within the SFIs and SoD. For commercial clinical trials the sponsoring company is expected to supply free of charge the medicine that is the subject of the trial.
- 23.10 All proposed R&D applications must be approved in line with the normal management arrangements within the Trust, details of which are given on the Trust's intranet [R&D Pages](#).

23.11 USE OF FUNDING GAINED THROUGH R&D ACTIVITIES

- 23.11.1 Researchers do not have the authority to use the funding for other purposes other than that specifically authorised. The use of any surpluses that occur must comply with the contractual terms of the research grant/contract and Trust R&D policies.
- 23.11.2 In some cases if the research activity is not fully delivered, under the contractual obligations, an element of the funding will need to be returned to the external funding body and will not be retained by the Trust. Researchers must ensure that this risk is appropriately understood, underwritten and authorised in line with Trust's R&D policies.
- 23.11.3 Most R&D funding streams are non-recurrent. Permanent commitments such as the appointment of staff to research positions on permanent contracts should only be made if there is an agreed income stream to cover the on-going commitment once the funding source has ceased.
- 23.11.4 Payments to employees for research activities must be in line with Trust payroll procedures and no arrangements to avoid taxation liabilities should be entered into.
- 23.11.5 Research leads supported by Research Finance Business Partner must ensure that there is ongoing monitoring and control of income and costs for a grant/contract and should any income not be forthcoming, appropriate action taken.

APPENDIX 1

TENDERING PROCEDURE – see detailed scheme of delegation ([Appendix 3 – Table 2](#)) for quotation and tendering thresholds

1. Invitation to Tender

All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted electronically using the PPS E-Tendering Tool, or if necessary:

- (a) In a plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word 'Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender); or
- (b) In a special envelope supplied by the Trust to prospective tenderers.

The tender envelopes/packages shall not bear any names or marks indicating the sender.

Every tender for goods, materials, services, (including consultancy services) or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tender must have given or give a written undertaking not to engage in collusive tendering or other restrictive practice.

2. Receipt, Safe Custody and Record of Formal Tenders

For Electronic Tenders:

- Formal tenders will be submitted using the E-Tendering tool and will be unlocked automatically on the set return date and time;
- The authorised procurement representative will be responsible for the maintenance of all records.

For Paper Based Tenders:

- Formal competitive tenders shall be addressed to the Company Secretary.
- The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.
- The Company Secretary shall receive tenders on behalf of the Chief Executive, and be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with Section 3.

3. Opening Formal Tenders

For Electronic Tenders:

- All tenders will be accepted by the unlocking of the E-Tendering tool.
- All changes will be fully auditable within the E-Tendering tool.

In the case of Paper Based Tenders:

- As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened in accordance with the Scheme of Delegation (SoD);
- Every tender received shall be stamped with the date of opening and initialled by the two Trust Directors (in line with the SoD) present at the opening.
- A permanent record shall be maintained, signed by the Directors present at the opening, to show the following for each set of competitive tender invitations dispatched:
 - (a) The names of firms/individuals invited;

- (b) The names of and the number of firms/individuals from which tenders are received;
- (c) The total price(s) tendered;
- (d) Date and time of opening and closing.

A record shall be maintained of all price alterations on tenders, i.e. where a price has apparently been altered, and the final price shown shall be recorded, unless price alterations are so numerous as to render this procedure unreasonable. Every price alteration appearing on a tender and the record should be initialled by two of those present at the opening.

4. Admissibility and Acceptance of Formal Tenders

- 4.1 In considering which, if any, tender to accept, the designated officers shall have regard to whether best value will be obtained by the Trust and whether the number of tenders received provides adequate competition. In cases of doubt they shall consult the Partners Procurement Service (PPS) or Chief Financial Officer.
- 4.2 Tenders received after the due time and date may be considered only if the Company Secretary decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenders concerned. The nominated officer shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted, the late arrival of the tender should be reported to the Audit and Risk Committee at its next meeting.
- 4.3 Technically late tenders (i.e. those dispatched in good time but delayed through no fault of the tenderer) may at the discretion of the Company Secretary be regarded as having arrived in due time.
- 4.4 Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders under Section 4.2 (above) .
- 4.5 Where examination of tenders reveals errors which would affect the tender figure, the tenderer is to be given details of such errors and afforded the opportunity of confirming or withdrawing his/her offer.
- 4.6 Necessary discussions with a tenderer of the contents of his/her tender, in order to elucidate technical points etc, before the award of a contract, need not disqualify the tender.
- 4.7 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall remain strictly confidential and kept in safekeeping by an officer of PPS.
- 4.8 Where only one tender/quotation is received the Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable.
- 4.9 A tender other than the lowest (if payment is to be made by the Trust), or the highest scoring, where evaluations are based on the most economically advantageous, or other than the highest scoring (if payment is to be received by the Trust) shall not be accepted unless for good and sufficient reason the Chief Financial Officer decides otherwise and records that decision, plus the financial implications, with the Audit and Risk Committee.
- 4.10 Where the form of contract includes a fluctuation clause all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Financial Officer.
- 4.11 All Tenders must be treated as confidential and must be retained for a period of at least 6 years for unsuccessful tenders, or 6 years beyond the life of the successful tendered

contract, in accordance with [Records Management Code of Practice for Health and Social Care 2016](#). Associated records for contracts under seal should be kept for a minimum of 15 years.

5. Monitoring Potential and Current Suppliers

- 5.1 PPS should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote:
- In the case of building, engineering and maintenance works, the Director of Procurement, in conjunction with the Director of Estates and Facilities is satisfied on their capacity, conditions of labour, etc., and that the Chief Financial Officer is satisfied that their financial standing is adequate;
 - In the case of the supply of goods, materials and related services, and management consultancy services, the Chief Executive or the nominated officer is satisfied as to their competence and that the Chief Financial Officer is satisfied that their financial standing is adequate;
 - In the case of the provision of healthcare services to the Trust by a private sector provider, the Chief Financial Officer is satisfied as to their financial standing and the Divisional Directors are satisfied as to their technical/medical competence and PPS is satisfied with the value for money and risks. If the value of the contract exceeds EU thresholds then this should be referred to PPS for due process.
- 5.2 PPS will monitor the level of business transacted with suppliers by the Trust in relation to the total annual turnover of the Supplier. Where Trust business represents 50% or more of a supplier's total annual turnover the Chief Financial Officer, together with the appropriate procuring officer will review the extent that this represents a risk to the Trust and agree the necessary action to remove this risk.

APPENDIX 2

RESERVATION OF POWERS TO THE BOARD OF DIRECTORS

This appendix describes those powers that are reserved to the Board of Directors. The [Trust's Constitution](#) describes the powers of the Membership Council.

1. General Enabling Provision

- 1.1 The Board may determine any matter it wishes in full session within its statutory powers.
- 1.2 The Board also has the right to determine that it is appropriate to resume its delegated powers.

2. Regulation and Control

- 2.1 Approve [Standing Orders \(SOs\)](#) for the regulation and proceedings of business, a schedule of Matters Reserved to the Board and Standing Financial Instructions (SFIs) setting out the responsibilities of individuals.
- 2.3 Suspend, amend or vary SOs and resume powers previously delegated.
- 2.4 Ratify any urgent decisions taken by the Chairman and Chief Executive in accordance with SO 4.2 'Emergency Powers'.
- 2.5 Approve a Scheme of Delegation (SoD) of powers.
- 2.6 Require and receive the declaration of directors' interests which may conflict with those of the Trust and determine the extent to which that director may remain involved with the matter under consideration.
- 2.7 Discipline directors who are in breach of statutory requirements or SOs.
- 2.8 Adopt the organisational structures, processes and procedures to facilitate the discharge of business by the Trust and agree variations.
- 2.9 Establish terms of reference and reporting arrangements of all committees and sub-committees of the Board.
- 2.10 Confirm the recommendations of the Board's committees where the committees do not have executive powers.
- 2.11 Authorise procedures for the use of the Seal.
- 2.12 Approve the disciplinary procedures for officers of the Trust.
- 2.13 Approve arrangements for dealing with complaints.

3. Appointments and Dismissals

- 3.1 Through its Remuneration and Nominations Committee, appoint, remove, appraise, discipline and determine the remuneration of executive directors.
- 3.2 Appoint to and dismiss from standing committees of the Board.
- 3.3 Appoint Vice Chairman.
- 3.4 Confirm the appointment of directors on outside bodies if Board endorsement is required.
- 3.5 Ratification of unanimous recommendations of Advisory Appointment Committee is delegated to the Chief Executive.

4. Policy Determination

The approval of management policies including workforce policies incorporating the arrangements for the appointment, removal and remuneration of staff.

5. Strategy, Business Plans and Financial Plans

- 5.1 Define the strategic aims and objectives of the Trust.
- 5.2 Approve the Trust financial plan (capital and revenue).
- 5.3 Approve the Trust 'Annual Plan' and any forward business plan in line with the prevailing NHS Improvement guidance.
- 5.4 Approve and monitor the Trust's policies and procedures for the management of risk.
- 5.5 Approve long term borrowings.

6. Direct Operational Decisions

- 6.1 Approve proposals for the acquisition, disposal or change of use of lands and/or buildings in accordance with the value thresholds outlined in the terms of reference of the Strategy and Investment Committee.
- 6.2 Approve investment and disposal proposals in accordance with the value thresholds outlined in the terms of reference of the Strategy and Investment Committee.

7. Audit Arrangements

- 7.1 Approve the appointment (and where required dismissal) of internal auditors, and to receive reports and minutes of Audit and Risk Committee meetings and take appropriate action.
- 7.2 Receive the annual management letter from the external auditor and agree proposed action, taking the advice, where appropriate, of the Audit and Risk Committee.

8. Annual Report and Accounts

- 8.1 Receive and approve the Trust Annual Report and Annual Accounts.
- 8.2 Present the Trust Annual Report and Annual Accounts to the Membership Council.

9. Monitoring

- 9.1 Receive such reports as the Board sees fit from committees in respect of their powers delegated including those that the Trust is required by NHS Improvement or other regulation to establish and to take appropriate action on.
- 9.2 Receive reports to enable continuous appraisal of the affairs of the Trust from directors, committees and officers of the Trust as the Board sees fit. All routine monitoring returns required by NHS Improvement shall be reported, at least in summary, to the Board.
- 9.3 The Board may determine that standing committees shall exercise certain of its powers. The composition and terms of reference of such committees shall be determined by the Board from time to time taking into account where necessary the requirements of NHS Improvement. The standing committees established by the Board are defined in the [SOs](#), and terms of reference of these committees are held by the Company Secretary. The Board shall determine the reporting requirements in respect of these committees. Committees may not delegate powers to sub-committees unless expressly authorised by the Board.

APPENDIX 3

DETAILED SCHEME OF DELEGATION

1. INTRODUCTION

This document details those responsibilities that the Board has agreed to delegate, and to whom they have been delegated. This detailed Scheme of Delegation (SoD) is an appendix to the Trust's Standing Financial Instructions (SFIs) and may be varied from time to time by agreement of the Board of Directors. It should be used as a guide for all Trust staff to ensure that everybody employed or engaged by the Trust is operating within their delegated authority at all times. It should be read in conjunction with the SFIs which provide more detail on some specific roles and responsibilities such as those of the Chief Financial Officer that are not repeated in this appendix.

The Standing Orders ([SOs](#)) separately describe those responsibilities that are delegated to committees by the Board.

Some responsibilities (for example those in relation to workforce such as approval of leave) can be found in the relevant workforce policies on the Trust intranet. This document describes delegated responsibilities but not detailed processes and procedures, which staff should also ensure that they are familiar with and follow.

2. DEFINITIONS

The SoD refers to a number of roles across the Trust. Wherever a role title is used in these instructions, it should be deemed to include such other officers who have been duly authorised to represent them – for example through a formal and documented acting up, interim or deputising arrangement, or as Senior Responsible Officer for a strategic project. However, no individual is authorised to empower anybody who is not under their own organisational control, and delegation of responsibility does not remove accountability from the individual delegating.

The delegated limits described in this document are the lowest level of delegation that has been approved by the Board and is the default level that applies in the absence of any other formal guidance. Individual managers, directors or the Management Executive may choose to take back any delegated authority to a higher level at any time if they so wish. This should be clearly communicated to all individuals concerned.

The Trust maintains a hierarchy of individuals and posts together with their approval limits, to ensure financial control. It is the responsibility of each individual to whom powers have been delegated in this document to ensure that they:

- Clearly define the budget holders in their area of responsibility;
- Ensure that all budget holders in their area of responsibility are aware of their delegated authority and responsibilities; and
- Communicate any changes in budget holders to their finance business partner to ensure that the hierarchy is appropriately maintained.

The following is a guide to the definitions used in this document. All staff, whether directly or indirectly employed or engaged by the Trust, will fall into one of the following groups **in relation to their own area of the Trust:**

Chief Executive: Unless otherwise delegated in this document or stated otherwise in law or in the Reservation of Powers to the Board of Directors ([appendix 2](#)), all powers reside with the Chief Executive.

Director: A Director of the Trust who is a member of the Board (currently Chief Executive, Deputy Chief Executive/Chief Financial Officer, Chief Operating Officer, Director of Nursing and Allied Health Professions, Medical Director, Director of Strategy and Business

Development, Chief Information Officer, Director of Human Resources, Director of Quality and Safety, Commercial Director, Director of Research and Development,): other Directors may have similar pan-Trust approval responsibilities as a result of their specific functional area (e.g. Director of Estates) described in the table below.

Divisional Director:	Divisional Directors, Director of Estates and Facilities, Corporate Deputy Directors.
Divisional Manager:	General Manager, Chief Pharmacist, Head of Optometry, Head Orthoptist, Head of Nursing.
Manager Level 1:	e.g. Deputy General Manager, Nurse Matron.
Manager Level 2:	e.g. Departmental Manager, Service Manager.
Manager Level 3:	e.g. Clinical Manager.
Budget Holder:	All staff falling into the above groups are budget holders with varying levels of delegated authority as specified in SoD. In addition, an employee (officer) with clear delegated authority from Chief Executive, Executive Director, Divisional Director, Divisional Manager, Manager Level 1 or Manager Level 2 to manage income and expenditure budgets. Delegated authority only applies to a budget holder's specific area of the organisation for which they are responsible for the budget.

None of the above: Individuals with no delegated authority in any area.

In addition, certain individuals may have a specific Trust-wide delegated authority (i.e. **beyond their own area of responsibility**) related to their professional function – for example, the Chief Financial Officer, Chief Pharmacist, Director of Estates and Facilities. Managing Directors of Moorfields Private and Moorfields Dubai also have delegated authority for their respective business units. Where relevant, these delegated responsibilities are described in the body of the document.

When reading this SoD it is important to distinguish between the different parts of the process for expenditure:

- (a) **Approval of a financial envelope** – the approval of budgets and business cases within which individuals can exercise their delegated authority. Without this approval, individuals may not exercise the authority defined in this document. [Section 4](#) of the SFIs describes in more detail the responsibilities in relation to budget management and financial targets;
- (b) **Quotations, tenders and selection of suppliers** - the approval of the process by which a supplier is selected;
- (c) **Commitment and approval of expenditure (e.g. requisitioning and invoice approval)** – approving and placing orders on behalf of the Trust, and approving invoices for payment. This is distinct from approval of the financial envelope and the quotation and tender process above, which are required prior to expenditure being committed. Related commitments must not be split in order to bring below the relevant approval threshold;
- (d) **Signature** – only certain individuals are able to sign contracts and legal documents on behalf of the Trust. This responsibility is distinct from all of the above. Further information can be found in the [SOs](#). It is important to note that this applies to legally binding contracts that may appear to have no financial value attached to them.

For all of the above, this detailed scheme of delegation (SoD) applies equally to paper-based approval and authorisation processes and electronic equivalents.

NOTE: VAT - all figures and thresholds below are exclusive of VAT.

TABLE 1: SCHEME OF DELEGATION

REF	RESPONSIBILITY		DELEGATION ARRANGEMENTS	FURTHER INFORMATION
1a	Management of Budgets			
1.1	Responsibility for keeping within approved budgets and financial plans in addition to non-financial responsibilities. See section 1 and 4.2 of the SFIs for more information on the role and responsibilities of budget holders.		All budget holders	
1b	Business cases			
1.2	Approval of business cases, including approval of variations, (subject to recommendation by the Project Sponsor):			An annual limit of £50,000 is delegated to MEHD, for approval within their organisation. Total spend or individual transactions outside of these limits must be approved per the hierarchies in Table 1.2. These powers may not be further delegated; in the absence of the appropriate officer authorisation must be obtained from the level above.
	Capital expenditure	Income generation / Expenditure to be incurred		
	£500,001 to £1,000,000	£0 - £1,500,000 in a single year, and no more than £7,500,000 in any 5 year period	Management Executive/Trust Management Board	
	£1,000,001 - £2,000,000	£1,500,001 to £2,000,000 in a single year, and no more than £10,000,000 in any 5 year period	Strategy and Investment Committee (on behalf of the Board of Directors)	
	Over £2,000,000	Over £2,000,000 in a single year, and more than £10,000,000 across the life of the project	Board of Directors	

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
1.3	Approval of Capital Project Proposals	Capital Planning and Oversight Group (CPOG) up to £500,000	An annual limit of £50,000 is delegated to MEHD for approval within their organisation. Total spend or individual transactions outside of these limits must be approved per the hierarchies in Table 1.2. Delegated to CFO for approval of decisions required outside of CPOG meetings, and to Deputy CFO in the absence of the CFO.
1.4	Set up of Special Purpose Vehicle, Joint Venture or Equity Investment in another entity	Board of Directors via Strategy & Investment Committee	
1b	Capital Budget, Expenditure and Assets Management		
1.5	Approval of capital budget in Annual Plan	Board of Directors	
1.6	Management of capital expenditure and assets under construction	Capital Planning and Oversight Group	
1.7	Maintenance of the asset register	CFO	Delegated to Deputy CFO
1.8	Approval of asset disposals:		Finance must always be informed to enable the asset register to be updated. For 'Other' (i.e. non-land and buildings) assets up to £50,000 authority is delegated to the CFO of MEHD for disposal of assets where sale price >= current NBV.
	Land and buildings	Board of Directors	
	Other – the asset has a residual value	CFO	
	Other – asset has no residual value	Executive Directors	
2a	Contracts		
2.1	Financial appraisal of companies identified as potential suppliers	CFO	CFO of MEHD. NHS, Private Patients and any other potential supplier appraisals delegated to PPS.
2.2	Maintenance of list of approved firms:		

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
	Works contracts	CFO	Delegated to the Director of Estates and Facilities (or CFO MEHD in the case of Dubai)
	Goods and services contracts	CFO	Delegated to PPS (or CFO MEHD in the case of Dubai)
2b	Variations from procurement processes		
2.3	Authorisation of less than the requisite number of tenders / quotes:		
	For contracts less than £250,000	CFO	See Table 2 for required numbers. (delegated to CFO MEHD in the case of Dubai for tenders/ quotes of less than £50,000) Overall contract limits still apply.
	For contracts of £250,000 and above	Chief Executive (report all authorisations in excess of £1,000,000 to the Strategy & Investment Committee)	
2.4	Authorisation of single tender / single quote action:		
	For contracts less than £250,000	CFO	Delegated to CFO MEHD in the case of Dubai for tenders/ quotes of less than £50,000. Overall contract limits still apply.
	For contracts of £250,000 and above	Chief Executive (report all authorisations in excess of £1,000,000 to the Strategy & Investment Committee)	
	Single tender / single quote action for maintenance or other support contracts for existing goods or assets where the Trust is contractually tied to specific companies.	CFO	Delegated to PPS who will retain a list of contracts approved (or CFO MEHD in the case of Dubai)
2.5	Monitoring of the use of single tender / single quote action	Audit and risk Committee on behalf of Board of Directors	Appropriate records to be maintained by PPS on behalf of the CFO as the basis for reporting.
2.6	Receipt of tenders	Chief Executive	

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION	
2.7	Opening of tenders	Any two from "List of Trust officers authorised to open tenders"		
2.8	Permission to consider late tenders	Chief Executive		
2c	Ratification and signing of contracts			
2.9	Tender ratification and award, including authorisation of any actions resulting from post-tender negotiations: Capital Projects/Works & Goods and Services. Approval of Variation to contracts.		A single item limit of £50,000 is delegated to Dubai, for approval within their organisation, assuming that the Trust's procurement processes have been followed throughout (see Table 2). These powers may not be further delegated; in the absence of the appropriate officer authorisation must be obtained from the level above. For variation to contracts, the values in this section apply to the whole contract value, and not to the value of the variation or extension alone.	
	Capital expenditure	Income generation / Expenditure to be incurred		
	Less than £500,000	Less than £1,000,000 in a single year		CFO
	£500,001 to £1,000,000	£1,000,000 - £1,500,000 in a single year, and no more than £7,500,000 in any 5 year period		Chief Executive
	£1,000,001 - £2,000,000	£1,500,001 to £2,000,000 in a single year, and no more than £10,000,000 in any 5 year period		Strategy and Investment Committee (on behalf of the Board of Directors)
	Over £2,000,000	Over £2,000,000 in a single year, and more than £10,000,000 across the life of the project		Board of Directors
2.10	Signing of contracts (including letters of intent)	CFO / CEO and as delegated via CFO / CEO		

REF	RESPONSIBILITY		DELEGATION ARRANGEMENTS	FURTHER INFORMATION
2.11	Sealing of documents		Two executive directors one of which must be the Chief Executive or Chief Financial Officer	Subsidiary pages of Works contracts to be signed in accordance with Power of Appointment procedure
3	Service Agreements and Contracts for the Provision of NHS Healthcare			
3.1	Approval of NHS healthcare contracts and variations		Chief Executive (report all authorisations in excess of £1,000,000 to the Strategy & Investment Committee)	Delegated to the CFO.
3.2	Authorisation of credit notes relating to NHS healthcare contracts:			
	Less than £250,000		CFO	
	£250,000 and above		Chief Executive (report all authorisations in excess of £1,000,000 to the Strategy & Investment Committee)	
4	Approval of research and development contracts (including variations or extensions)			These powers may not be further delegated; in the absence of the appropriate officer authorisation must be obtained from the level above. Note that the values in this section apply to the whole contract value, and not to the value of the variation or extension alone.
	Capital expenditure	Income generation / Expenditure to be incurred		
	Nil	Less than £100,000	Director / Deputy Director of Research & Development	
	Less than £500,000		Capital Planning and Oversight Group (CPOG)	
	£500,001 to £1,000,000	£0 - £1,500,000 in a single year, and no more than £7,500,000 in any 5 year period	Management Executive/Trust Management Board	

REF	RESPONSIBILITY		DELEGATION ARRANGEMENTS	FURTHER INFORMATION
	£1,000,001 - £2,000,000	£1,500,001 to £2,000,000 in a single year, and no more than £10,000,000 in any 5 year period	Strategy and Investment Committee (on behalf of the Board of Directors)	
	Over £2,000,000	Over £2,000,000 in a single year, and more than £10,000,000 across the life of the project	Board of Directors	
5	Purchasing and Payments (including Payroll)			
5.1	Authorisation of requisitions/purchase orders and invoices for payment			CFO will maintain an Authorised Signatory List.
	Up to £5,000		Manager Level 3	Authorised list for MEHD to be maintained by MEHD CFO and distributed to CFO as and when amendments are made. MEHD CFO is authorised to approve invoices up to £10,000.
	Up to £10,000		Manager Level 2	
	Up to £25,000		Manager Level 1	
	Up to £60,000		Divisional Manager	
	Up to £75,000		Divisional Director	
	Up to £200,000		Executive Director, MD for MEHD / M Private for their businesses.	
	Up to £500,000		CFO	
	Up to £1,000,000		Chief Executive	
	Over £1,000,000		Board of Directors	
5.2	Authorisation of expenses claims		The authorising officer must be the claimant's line manager or above. Any expenses claimed by the Chairman shall be authorised by the Chief Executive or by the CFO if payments relating to the Chief Executive are included within the claim.	

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
6	Income and debt write-off (Note: All write-offs should be reported to the Financial Controller for monitoring and onward reporting to the Audit and Risk Committee)		
6.1	Authorisation of invoice requests	Head of Income and Contracts, Head of Financial Management, Financial Controller, Finance Business Partners, Overseas Visitors Officer and Budget Holders where appropriate.	
6.2	Authorisation of credit notes (non-healthcare income) and refunds	CFO	CFO of MEHD and Head of Finance Moorfields Private in the cases of Dubai and Moorfields Private respectively up to £20,000.
6.3	Authorisation of discounts	CFO (report all authorisations in excess of £100,000 to the Strategy & Investment Committee)	CFO of MEHD and Head of Finance of Moorfields Private in the cases of Dubai and Moorfields Private respectively up to £10,000.
6.4	Authorisation of debt write-off:		CFO of MEHD and Head of Finance of Moorfields Private in the cases of Dubai and Moorfields Private respectively up to £5,000 for a single item, and up to £25,000 cumulatively in a single year. Partially delegated to Deputy CFO for debt write-off up to £50,000.
	Less than £250,000	CFO	
	£250,000 - £500,000	Chief Executive	
	£500,000 and above	Board of Directors	
7	Losses and special payments (Note: All write-offs should be reported to the Financial Controller for monitoring and onward reporting to the Audit Committee)		
7.1	Authorisation of losses and special payments, including ex-gratia payments:		See also section 9.1.
	Less than £100,000	CFO	
	£100,000 to £250,000	Chief Executive	
	£250,000 and above	Board of Directors	

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
	£250,000 and above	Board of Directors	
7.2	Authorisation of clinical negligence payments	CFO	
7.3	Monitoring of losses and special payments	Audit and Risk Committee	
7.4	Authorisation of early retirement, redundancy and other termination payments to staff:		Responsibility for staff-related losses & special payments to be further delegated to the Remuneration and Nominations Committee.
	Less than £20,000	Executive Directors	
	£20,000 - £100,000	CFO	
	£100,000 - £250,000	Chief Executive	
	£250,000 and above	Board of Directors	
8	Budgetary Control		
8.1	Delegation of budgets	Chief Executive and CFO	
8.2	Approval of transfers from reserves	CFO	
9	Stores		
9.1	Management and control of stores:		Delegation for stock write-off is restricted to a single item limit of £5,000 / £25,000 cumulatively in a single year for Dubai for approval within their respective organisation. All such write-offs must be reported to the Audit and Risk Committee following the transaction as part of Losses & Special Payments.
	General	PPS	
	Pharmacy	Chief Pharmacist	
	MEH Dubai	Managing Director for Moorfields Dubai	
10	Bank accounts and payment methods		
10.1	Opening of bank accounts	CFO	The CFO and one other existing authorised signatory are required to amend bank account details or add further accounts.
10.2	Signing of cheque schedules, and authorisation of BACS payment schedules	See Table 3 .	Signatory list to be maintained by the CFO.

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
11	Fees and charges payable		
	Approval of fees and charges payable	CFO	With budget holder where appropriate
12	Standards of business conduct		
12.1	Maintenance of the register of interests:		Maintained by Director of Corporate Governance
	Board of Directors and Management Executive	Chief Executive	
	Staff	Executive Directors / Divisional Directors / Divisional Managers	
12.2	Maintenance of gifts and hospitality registers:		Maintained by Director of Corporate Governance
	Board of Directors and Management Executive	Chief Executive	
	Staff	Executive Directors / Divisional Directors / Divisional Managers	
13	Insurance		
	Insurance arrangements	CFO	MD of MEHD in the case of Dubai
14	Fraud and Irregularity		
14.1	Counter fraud and corruption work in accordance with Secretary of State's Directions	CFO	In liaison with Local Counter Fraud Specialist and Counter Fraud and Security Management Service as appropriate
14.2	Investigation of suspected cases of irregularity not related to fraud or corruption	CFO	
15	Investments		
15.1	Approval of Investment Policy	Board of Directors	Delegated to Strategy and Investment Committee
15.2	Investment decisions	CFO	

REF	RESPONSIBILITY	DELEGATION ARRANGEMENTS	FURTHER INFORMATION
16	Borrowing		
16.1	Approval of loans: Loans with repayment periods of over one year Working capital facilities with repayment periods of less than one year	Board of Directors CFO	May be delegated to the Strategy and Investment Committee

Table 2: Competitive Selection Requirements

In circumstances where it is not possible or desirable to comply with the following requirements, authority must be obtained in accordance with item 2.3, 2.4 or 2.5 of Table 1. The following contract values refer to the whole term of the contract, not the annual value. The Trust's preferred means of complying with its obligations in regard to competitive selection of suppliers is to use framework agreements negotiated by the Partners Procurement Service (PPS), London Procurement Partnership, Government Procurement Service, NHS Supply Chain and similar arrangements. Tendering procedures should only be used where, in the opinion of the CFO on the advice of PPS or, for capital works, the Director of Estates and Facilities, there is no suitable framework agreement.

Goods and Services Contracts (including consultancy services in relation to capital works contracts)

	Contract value			
	Less than £5,000	£5,000 to £49,999	£50,000 to EU Limit	EU threshold and above
Best purchasing practice	Yes			
Written quotations		3	4	
Competitive tenders				6

Works contracts

	Contract value				
	Less than £10,000	£10,000 to £299,999	£300,000 to £499,999	£500,000 to EU threshold	EU threshold and above
Best purchasing practice	Yes				
Written quotations		3	4		
Competitive tenders				5	6

N.B. A monetary threshold is set for advertising in the Official Journal of the European Union for the procurement of goods and services or works awarded by central government / other contracting authorities respectively. The Journal is updated every two years.

Limits are reviewed approximately every two years, and the current thresholds can be found at <http://www.ojec.com/threshholds.aspx>.

If in any doubt, please contact the Partners Procurement Service PPS.

Table 3: Cheque, Government Banking Service and BACS Payment Authorisation

Reference 10.2 of Table 1

Type	Value	Requirement
Cheques (GBS accounts)	Up to £100,000	Any two authorised signatories
	£100,000 and above	Any one authorised signatory plus one Management Executive signatory or the Deputy CFO
Cheques (Natwest accounts)	Up to £5,000	Any one authorised signatory
	Above £5,000 and up to £50,000	Any two authorised signatories
	Above £50,000	Any one authorised 'A' signatory plus any other authorised signatory.
<p>Note:</p> <ul style="list-style-type: none"> GBS cheques are pre-printed with a standard GBS signature and there is therefore no need for the above authorisers to sign the cheques themselves. Each authoriser inspects the schedule of cheques and supporting documentation before signing the summary schedule. Cheques for cash are not permitted. 		

Type	Value	Requirement
BACS schedules	Any value	Any two authorised signatories (GBS set internal limits for the total value of payments in a period, which require a further authorisation step if reached)

CHAPS, foreign currency, other electronic transfers	Any value (to a GBS account)	Any two authorised signatories (GBS set internal limits for the total value of payments in a period, which require a further authorisation step if reached)
	Up to £50,000 (to a non-GBS account)	Any two authorised signatories (GBS set internal limits for the total value of payments in a period, which require a further authorisation step if reached)
	Above £50,000 (to a non-GBS account)	Any two authorised signatories (GBS set internal limits for the total value of payments in a period, which require a further authorisation step if reached) plus completion of a pre-authorisation form to be faxed to GBS and signed by two authorised signatories.

APPENDIX 4

PROCUREMENT FOR THE PHARMACY DEPARTMENT

The Pharmacy Department is responsible for the procurement and purchase of the Trust's pharmaceutical requirements. Purchases are made either through the Department of Health, the London Procurement Partnership (LPP), the local purchasing confederation, through pharmaceutical wholesalers, directly from manufacturer or "specials" manufacturer.

Written procurement procedures are in place in the Pharmacy Department. Emphasis is given to purchasing the best product at the best price within acceptable turnaround times. The Moorfields formulary includes approximately 1200 product lines. For each product the following information is considered: LPP, purchasing confederation, wholesaler price and price direct from the manufacturer.

Agreeing discounted prices on direct purchases from the manufacturer

In particular, ophthalmic products are often offered to the trust at largely discounted prices that out match those available through LPP or confederation contract prices. When this happens the pharmacy department orders these products directly from the manufacturer. Occasionally the purchase is made through a wholesaler in agreement with the manufacturer at this "special" discounted price. No formal contract is drawn-up or signed. However a written price quote is obtained by the pharmacy department and kept for reference. Individual manufacturer agreements are reviewed by the pharmacy department in conjunction with the manufacturer annually.

Once the first purchase is made from the manufacturer under such an agreement the purchase price is entered onto the Ascribe pharmacy computer system. Any fluctuations in this price are then evident each time an invoice is reconciled and the reason for this fluctuation is investigated immediately.

Purchasing pharmaceutical products with a projected annual value of greater than £50,000

There are a number of products that fall into this category. The same procedure is followed as described previously. The annual projected spend may empower our bargaining power when agreeing discounts. Pharmaceutical products are not put out to tender by the pharmacy department at Moorfields, as this would have already been carried out by LPP or the local purchasing confederation. Due to the single clinical speciality of this trust many of the products are "specials" and only manufactured by one or two manufacturers.