

North Middlesex University Hospital NHS Trust

Standing Orders, Standing Financial Instructions and Reservation and Delegation of Powers

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V17	Nov 21	Chief Finance Officer	Review	Finance, Performance and Planning Committee for review
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V18	Jan 22	Chief Finance Officer	Review	Finance, Performance and Sustainability Committee for review

SECTION A

1. INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or the Company Secretary), the Chief Finance Officer in the case of Standing Financial Instructions.
- 1.2 Any expression to which a meaning is given in the National Health Service Act 2006, as amended by the Health and Social Care Act 2012, National Health Service and Community Care Act 1990 and other Acts and amendments relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- a) "**2006 Act**" means the National Health Service Act 2006
 - b) "**Accountable Officer**" means the Executive Director responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust the role of Accountable Officer is separate from the role of Chief Executive.
 - c) "**Board**" means the Chairman, Executive and Non-Executive Directors of the Trust collectively as a body.
 - d) "**Budget**" means a resource, expressed in financial, manpower or activity terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
 - e) "**Budget holder**" means the Executive Director, officer or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
 - f) "**Chairman of the Board (or Trust)**" is the person appointed by the Secretary of State for Health and Social Care to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
 - g) "**Chief Executive**" means the chief officer of the Trust, reporting to the Accountable Officer.
 - h) "**Commissioning**" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.
 - i) "**Committee**" means a committee or sub-committee created and appointed by the Board, functioning as an internal Committee.
 - j) "**Committee members**" means a person formally appointed by the Board to sit on or to chair specific committees.
 - k) "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance, and for disposal of surplus and obsolete assets.
 - l) "**Chief Finance Officer**" means the Chief Financial Officer of the Trust.

- m) **"Employee"** means an employee of the Trust or any other person holding a paid appointment or office with the Trust.
- n) **"Executive Director"** means any Director of the Trust Board designated as an Executive Director, reporting to the Chief Executive, including any non-voting Executive Directors.
- o) **"Funds held on trust"** shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under s.14(2) of the NHS Act 2006. Such funds may or may not be charitable.
- p) **"Member"** means Executive Director or Non-Executive Director of the Board as the context permits. Member in relation to the Board does not include its Chairman.
- q) **"Membership, Procedure and Administration Arrangements Regulations"** means National Health Service Trusts (Membership and Procedure) Regulations 1990 (SI 1990/2024) as amended.
- r) **"Motion"** means a formal proposition to be discussed and voted on during the course of a meeting.
- s) **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders, Scheme of Reservation and Delegation and/or Standing Financial Instructions.
- t) **"Non-Executive Director"** means a member of the Trust who is not an officer of the Trust.
- u) **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- v) **"Officer Member"** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairman of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- w) **"PPS"** means the Partners Procurement Service.
- x) **"Secretary or Company Secretary"** means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, and Department of Health and Social Care or other regulatory body guidance.
- y) **"Senior Independent Director"** means a Non-Executive Director appointed to the role to support the Chairman in leading the Board of Directors, to act as a sounding board and a source of advice for the Chairman.
- z) **"Scheme of Reservation and Delegation"** sets out powers the Trust Board has delegated to the Accountable Officer, Chief Executive, Executive Directors and other members of staff
- aa) **"SFIs"** means Standing Financial Instructions.
- bb) **"SOs"** means Standing Orders.
- cc) **"Trust"** means the North Middlesex University Hospital NHS Trust.

dd) "**Vice-Chairman**" means the Non-Executive Director member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.

- 1.3 All references in these Orders to the masculine gender shall be read as equally applicable to the female gender.
- 1.4 Wherever the term "**employee**" is used it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

SECTION B – STANDING ORDERS

1. INTRODUCTION

1.1 Statutory Framework

- 1.1.1 The North Middlesex University Hospital NHS Trust (the Trust) is a statutory body which came into existence on 17 December 1990 under the North Middlesex Hospital National Health Service Trust (Establishment) Order 1990 No. 2431 (the Establishment Order).
- 1.1.2 The principal place of business of the Trust is the North Middlesex University Hospital NHS Trust, Sterling Way, Edmonton, London, N18 1QX.
- 1.1.3 NHS Trusts are governed by Acts of Parliament, mainly the National Health Service Act 2006 (NHS Act 2006).
- 1.1.4 The functions of the Trust are conferred by this legislation.
- 1.1.5 As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health and Social Care.
- 1.1.6 The Trust also has statutory powers under Sections 75, 76 and 256 of the NHS Act 2006, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- 1.1.7 As a matter of good governance the Trust is required to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- 1.1.8 The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- 1.2.1 In addition to the statutory requirements the Secretary of State through the Department of Health and Social Care issues further directions and guidance. These are normally issued under cover of a circular or letter.
- 1.2.2 The Code of Conduct and Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of reservation and delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct and the Code of Accountability makes various requirements concerning possible conflicts of interest of Board members.
- 1.2.3 Public access to information held by the NHS is governed by the Freedom of Information Act 2000.

1.3 Delegation of Powers

- 1.3.1 The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Standing Order 5 confers powers to make arrangements for the discharge, on behalf of the Trust, of any of their functions by a committee, sub-committee or joint committee appointed by virtue of SO 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct.
- 1.3.2 Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). (See Section 1.8 and Appendix 2 of the Corporate Governance Framework Manual). This document has effect as if incorporated into the Standing Orders. Delegated Powers are covered in Section C a separate document entitled – ‘Schedule of Matters reserved to the Board and Scheme of Reservation and Delegation’ and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS

2.1 Composition of the Membership of the Trust Board

In accordance with the Establishment Order, and the Membership, Procedure and Administration Arrangements Regulations the composition of the Board shall be:

- 2.1.1 The Chairman of the Trust (Appointed by NHS Improvement);
- 2.1.2 Up to 5 Non-Executive Directors (including one appointed by the University College London);
- 2.1.3 5 voting Executive Directors (but not exceeding the number of Non-Executive Directors):
- Accountable Officer
 - Chief Executive;
 - Chief Finance Officer;
 - Chief Nurse; and
 - Medical Director
- 2.1.4 The Trust shall have not more than 11 and not less than 8 directors (unless otherwise determined by the Secretary of State for Health and Social Care and set out in the Trust’s Establishment Order or such other communication from the Secretary of State).

2.2 Appointment of Chairman and Members of the Trust

- 2.2.1 Paragraph 7 of the Membership, Procedure and Administration Arrangements Regulations sets out the period of tenure of office of the Chairman and members. Paragraph 9 sets out provisions for the termination or suspension of office of the Chairman and Members.

2.3 Terms of Office of the Chairman and Members

- 2.3.1 The regulations setting out the period of tenure of office of the Chairman and members and for the termination or suspension of office of the Chairman and members are contained in Sections 2 to 4 of the Membership, Procedure and Administration Arrangements and Administration Regulations.

2.4 Appointment and Powers of Vice-Chairman

- 2.4.1 Subject to SO 2.4.2 below, the Chairman and members of the Trust may appoint one of their numbers, who is not also an Executive Director, to be Vice-Chairman, for such period, not exceeding the remainder of their term as a member of the Trust, as they may specify on appointing them.
- 2.4.2 Any Non-Executive Director so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another Non-Executive Director as Vice-Chairman in accordance with the provisions of SO 2.4.1.
- 2.4.3 Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Vice-Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Vice-Chairman.

2.5 Joint Members

- 2.5.1 Where more than one person is appointed jointly to a post mentioned in the Membership, Procedure and Administration Arrangements Regulations those persons shall count for the purpose of SO 2.1 as one person.
- 2.5.2 Where the office of a member of the Board is shared jointly by more than one person:
- (a) Either or both of those persons may attend or take part in meetings of the Board;
 - (b) If both are present at a meeting they should cast one vote if they agree;
 - (c) In the case of disagreements no vote should be cast;
 - (d) The presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.11 Quorum.

2.6 Senior Independent Director

- 2.6.1 The Board may appoint any Non-Executive Director as the Senior Independent Director, for such a period not exceeding the individual's term of office as a Non-Executive Director. Any Non-Executive Director appointed to this role may at any time resign from the office of Senior Independent Director by giving notice in writing to the Chairman. The Senior Independent Director has a key role in supporting the Chairman in leading the Board of Directors and acting as a sounding board and source of advice for the Chairman. The Senior Independent Director shall be available to hear any issues or concerns that individuals feel unable to raise with the Chairman or any Executive Director.

2.7 Role of Members

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

2.7.1 Executive Directors

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

2.7.2 Accountable Officer

The Accountable Officer shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

2.7.3 Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust.

2.7.4 Chief Finance Officer

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

2.7.5 Non-Executive Directors

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

2.7.6 Chairman

The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment and with these Standing Orders.

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

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

2.8 Corporate role of the Board

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

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

2.8.3 The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in SO 3.

2.8.4 The Board shall define and regularly review the functions it exercises on behalf of The Secretary of State.

2.9 Schedule of Matters reserved to the Board and Scheme of Reservation and Delegation

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

2.10 Lead Roles for Board Members

2.10.1 The Chairman will ensure that the designation of Lead roles or appointments of Board members as required by the Department of Health and Social Care, NHs England, or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a Lead Board Member with responsibilities for Infection Control or Child Protection Services, etc.).

3. MEETINGS OF THE TRUST

3.1 Calling meetings

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

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

3.1.3 One third or more members of the Board may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

3.1.4 The Trust will publicise and hold an Annual General Meeting in accordance with the NHS Trust's (Public Meetings) Regulations 1991 (SI (1991) 482). The meeting shall be held on or before 30 September in each year for the purpose of presenting the Annual Report, audited accounts and the Quality Account.

3.2 Notification of Meetings and the Business to be transacted

3.2.1 Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, by the most effective route, including being sent by post to the usual place of residence of the member, or sent electronically to the usual e-mail address of the member, so as to be available to members at least three clear days before the meeting.

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

3.2.3 A member desiring a matter to be included on an agenda shall make their request in writing to the Chairman at least 10 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chairman.

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

3.3 Agenda and Supporting Papers

- 3.3.1 The Agenda will be sent to members six days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear working days before the meeting, save in emergency.
- 3.3.2 The Board may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted (such matters may be identified within these Standing Orders or following subsequent resolution shall be listed in an Appendix to the Standing Orders.)

3.4 Petitions

- 3.4.1 Where a petition has been received by the Trust the Chairman shall include the petition as an item for the agenda of the next meeting.

3.5 Notice of Motion

- 3.5.1 Subject to the provision of SO 3.7 'Motions: Procedure at and during a meeting' and 3.8 'Motions to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.
- 3.5.2 The notice shall be delivered at least 12 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

3.6 Emergency Motions

- 3.6.1 Subject to the agreement of the Chairman, and subject also to the provision of SO 3.7 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.

3.7 Motions: Procedure at and during a meeting

3.7.1 Who may propose

A motion may be proposed by the Chairman of the meeting or any member present. It must also be seconded by another member.

3.7.2 Contents of motions

The Chairman may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report;
- consideration of any item of business before the Trust Board;
- the accuracy of minutes;
- that the Board proceed to next business;
- that the Board adjourn;
- that the question be now put.

3.7.3 Amendments to motions

A motion for amendment shall not be discussed unless it has been proposed and seconded.

Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

3.7.4 Rights of reply to motions

a) Amendments

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

b) Substantive/original motion

The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

3.7.5 Withdrawing a motion

A motion, or an amendment to a motion, may be withdrawn.

3.7.6 Motions once under debate

When a motion is under debate, no motion may be moved other than:

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceeds to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member/director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see SO 3.17).

In those cases, where the motion is either that the meeting proceeds to the 'next business' or 'that the question be now put', in the interests of objectivity, these should only be put forward by a member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chairman should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

3.8 Motion to Rescind a Resolution

- 3.8.1 Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.
- 3.8.2 When any such motion has been dealt with by the Trust Board it shall not be competent for any director/member other than the Chairman to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

3.9 Chairman of meeting

- 3.9.1 At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), if present, shall preside.
- 3.9.2 If the Chairman is absent temporarily on the grounds of a declared conflict of interest the Vice-Chairman, if present, shall preside.
- 3.9.3 If the Chairman and Vice-Chairman are absent, or are disqualified from participating, such Non-Executive Director as the members present shall choose shall preside.

3.10 Chairman's ruling

- 3.10.1 The decision of the Chairman of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

3.11 Quorum

- 3.11.1 No business shall be transacted at a meeting unless at least one-third of the whole number of the Chairman and members (four) (including at least one member who is also a Non-Executive Director of the Trust and one member who is an Executive Director) is present.
- 3.11.2 An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 3.11.3 If the Chairman or member of the Board has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO 7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.12 Voting

- 3.12.1 Save as provided in SO 3.13 – ‘Suspension of Standing Orders’ and SO 3.14 – ‘Variation and Amendment of Standing Orders’, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e. the Chairman of the meeting shall have a second, and casting vote.

- 3.12.2 At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- 3.12.3 If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- 3.12.4 If a member so requests, their vote shall be recorded by name.
- 3.12.5 In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.12.6 A manager who has been formally appointed to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.
- 3.12.7 A manager attending the Trust Board meeting to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. The manager's status when attending a meeting shall be recorded in the minutes.
- 3.12.8 For the voting rules relating to joint members see SO 2.5.

3.13 Suspension of Standing Orders

- 3.13.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one Non-Executive and one Executive Director) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- 3.13.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and members of the Trust.
- 3.13.3 No formal business may be transacted while Standing Orders are suspended.
- 3.13.4 The Audit Committee shall review every decision to suspend Standing Orders.

3.14 Variation and amendment of Standing Orders

- 3.14.1 These Standing Orders shall not be varied except in the following circumstances:
- Upon a notice of motion under SO 3.5;
 - Upon a recommendation of the Chairman, Accountable Officer or Chief Executive included on the agenda for the meeting;
 - That two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive Directors vote in favour of the amendment; and
 - Providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

3.15 Record of Attendance

3.15.1 The names of the Chairman, Non-Executive Directors, Executive Directors and other officers present at the meeting shall be recorded in the minutes.

3.16 Minutes

3.16.1 The minutes of the proceedings of a meeting shall be drawn up and circulated at the earliest opportunity to ensure action points are understood and actioned. The minutes will be submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

3.16.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate.

3.16.3 Any amendment to the minutes as to their accuracy shall be agreed and recorded at the next meeting and the amended minutes shall be regarded as the formal record of the meeting.

3.16.4 Minutes shall be circulated in accordance with members' wishes. Where providing a record of a public meeting the minutes shall be made available to the public as required by the Freedom of Information Act 2000.

3.17 Admission of public and the press

3.17.1 Admission and exclusion on grounds of confidentiality of business to be transacted

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

‘that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest’, Section 1 (2), Public Bodies (Admission to Meetings) Act 1960’.

Guidance should be sought from the Trust’s Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.

3.17.2 General disturbances

The Chairman (or Vice-Chairman if one has been appointed) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust’s business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Trust Board resolving as follows:

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

3.17.3 Business proposed to be transacted when the press and public have been excluded from a meeting

Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in 3.17.1 and 3.17.2 above, shall be confidential to the members of the Board.

Non-Executive Directors and Executive Directors, or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private' outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

3.17.4 Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

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

3.18 Observers at Trust meetings

The Trust will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Trust Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

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

4.1.2 The Trust shall determine the membership and terms of reference of committees and sub-committees and shall if it requires to, receive and consider reports of such committees.

4.2 Joint Committees

4.2.1 Joint committees may be appointed by the Board by joining together with one or more other health or social care organisation, or other Trusts consisting of, wholly or partly of the Chairman and members of the Trust or third party organisation, or wholly of persons who are not members of the Trust or third party organisation.

4.2.2 Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State, or the Trust, or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees

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

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

4.4 Terms of Reference

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

4.5 Delegation of powers by Committees to Sub-Committees

Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Board.

4.6 Approval of Appointments to Committees

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither Non-Executive directors, Executive Directors or otherwise an employee of the Trust, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

4.7 Appointments for Statutory functions

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

4.8 Committees established by the Board

The Board has established the following Committees. Copies of the terms of references for each Committee are appended to these Standing Orders.

4.8.1 Audit Committee

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and the Higgs report, an Audit Committee will be established and constituted to provide the Board with an independent and objective review on its financial systems, financial information, organisational governance and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference will be approved by the Board and reviewed on a periodic basis.

The Higgs report recommends a minimum of three Non-Executive Directors be appointed, unless the Board decides otherwise, of which one must have significant, recent and relevant financial experience.

4.8.2 Remuneration Committee

In line with the requirements of the NHS Codes of Conduct and Accountability, and the Higgs report, a Remuneration Committee will be established and constituted.

The Higgs report recommends the Committee be comprised exclusively of Non-Executive Directors, with a minimum of three, who are independent of management.

The purpose of the Committee will be to determine appropriate remuneration and terms of service for the Accountable Officer, Chief Executive and other Executive Directors including:

- (i) All aspects of salary (including performance related elements/ bonuses)
- (ii) Provisions for other benefits, including pensions and cars
- (iii) Arrangements for termination of employment and other contractual terms

4.8.3 Charitable Funds Committee

In line with its role as a Corporate Trustee for any funds held in trust, either as charitable or non-charitable funds, the Board will establish a Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements or best practice required by the Charity Commission.

The provisions of this Standing Order must be read in conjunction with SO 2.8 and SFI 19.

4.8.4 Finance, Performance and Planning Committee

The Finance, Performance and Planning Committee obtains assurance on behalf of the Board of Directors that the Trust has plans in place to achieve the high levels of financial and operational performance expected.

4.8.5 Quality Committee

The Quality Committee provides scrutiny and challenge with regard to all aspects of quality and clinical safety, including strategy, delivery, clinical governance and audit, and patient experience in order to provide assurance to the Trust Board.

4.8.7 Workforce Committee

The Workforce Committee maintains a strategic overview of the Trust's workforce, educational and organisational development arrangements with a view to assessing their adequacy to provide a positive working environment for staff, to enable the provision of high quality care and good clinical outcomes for patients.

4.8.9 Other Committees

The Board may also establish such other committees as required to discharge the Trust's responsibilities.

4.9 Confidentiality at Meetings

There is no requirement for meetings of Board committees and sub-committees to be held in public, or for agendas or records of these meetings to be made public. However, the records of any meetings may be required to be disclosed, should a valid request be made under the rights conferred by the Freedom of Information Act 2000, and there is no legal justification for non-disclosure.

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

5.1 Delegation of Functions to Committees, Officers or other bodies

- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a Committee, sub-committee appointed by virtue of SO 4, or by a Director of the Trust, or by another body as defined in SO 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.
- 5.1.2 Paragraph 18 of Schedule 4 of the NHS Act 2006 allows the functions of the Trust to be carried out jointly with any one or more of the following: NHS Trusts, NHS Improvement or any other body or individual (excluding Clinical Commissioning Groups).
- 5.1.3 Regulation 16 of the Membership, Procedure and Administration Arrangements Regulations permits the Trust to make arrangements for the exercise of behalf on the Trust of any of its functions by a committee appointed pursuant to Regulation 15 of the Regulations.

5.2 Emergency Powers and urgent decisions (Chairman's action)

The powers which the Board has reserved to itself within these Standing Orders (see SO 2.9) may in emergency or for an urgent decision be exercised by the Accountable Officer and the Chairman after having consulted at least two Non-Executive Directors. The exercise of such powers by the Accountable Officer and Chairman shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

5.3 Delegation to Committees

- 5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its sub-committees.
- 5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

5.4 Delegation to Officers

- 5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Accountable Officer. The Accountable Officer shall determine which functions they will perform personally and shall nominate officers, including the Chief Executive, to undertake the remaining functions for which they will still retain accountability to the Trust.
- 5.4.2 The Accountable Officer shall prepare a Scheme of Reservation and Delegation identifying proposals which shall be considered and approved by the Board. The Accountable Officer may periodically propose amendment to the Scheme of Reservation and Delegation which shall be considered and approved by the Board.
- 5.4.3 Nothing in the Scheme of Reservation and Delegation shall impair the discharge of the direct accountability to the Board of the Chief Finance Officer to provide information and advise the Board in accordance with statutory or Department of Health and Social Care

requirements. Outside these statutory requirements the role of the Chief Finance Officer shall be accountable to the Chief Executive for operational matters.

5.5 Schedule of Matters Reserved to the Trust and Scheme of Reservation and Delegation of powers

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

5.6 Duty to report non-compliance with Standing Orders and Standing Financial Instructions

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

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

6.1 Policy statements: general principles

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

6.1.2 The Board may delegate the approval of policies and procedures to Board Committees or other Committees, or officers, or otherwise in accordance with the Trust Standing Orders and Standing Financial Instructions, except those strategic and overarching policies and procedures, the approval of which is reserved to the Board as set out in the Scheme of Reservation and Delegation.

6.2 Specific Policy statements

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

- The Declaration of Interests, Gifts, Sponsorship and Hospitality Policy which incorporates the Standards of Business Conduct;
- Code of Conduct for NHS Managers 2002;
- The ABPI Code of Practice for the Pharmaceutical Industry Second 2012 Edition relating to hospitality / gifts from pharmaceutical/external industry;
- Staff Disciplinary and Appeals Procedures adopted by the Trust, both of which shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

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

6.4 Specific guidance

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health and Social Care:

- Caldicott Guardian 1997;
- Human Rights Act 1998;
- Freedom of Information Act 2000.
- Bribery Act July 2010

7. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS

7.1 Fit and Proper Persons Criteria

7.1.1 It is the responsibility of the Trust Chairman to ensure that all attendees of the Trust Board meet the requirements of the fit and proper persons' criteria as set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. A person must not be appointed to an Executive Director level post or to a Non-Executive Director post unless they:

- are of good character;
- have the necessary qualifications, skills and experience;
- have not been responsible for any misconduct or mismanagement in the course of any employment with a CQC registered provider;
- are able to perform the work that they are employed for after reasonable adjustments are made; and
- are not prohibited from holding the relevant position under any other law, such as the Companies Act or Charities Act.

7.1.2 In addition, persons prevented from holding office and for whom there is no discretion include:

- the person is an undischarged bankrupt or a person whose estate has had a sequestration awarded in respect of it and who had not been discharged;
- the person is the subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order or an order to like effect made in Scotland or Northern Ireland;
- the person is a person to whom a moratorium period under a debt relief order applies under Part VIIA (debt relief orders) of the Insolvency Act 1986 (40);
- the person has made a composition or arrangement with, or granted a trust deed for, creditors and not been discharged in respect of it;
- the person is included in the children's barred list or the adults' barred list maintained under section 2 of the Safeguarding Vulnerable Groups Act 2006, or in any corresponding list maintained in Scotland or Northern Ireland;
- the person is prohibited from holding the relevant office or position, or in case of an individual from carrying on the regulated activity, by or under any enactment;
- the person has been responsible for, been privy to, contributed to or facilitated any serious misconduct or mismanagement (whether lawful or not) in the course of carrying on a regulated activity, or discharging any functions relating to any office or employment with a service.

7.2 Declaration of Interests

7.2.1 Requirements for Declaring Interests and applicability to Board Members

The NHS Code of Accountability requires Trust Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment. In addition to Board members, the requirement for other staff to declare interests is set out in the Trust's policy on Declarations of Interest.

7.2.2 Interests which are relevant and material

Interests which should be regarded as "relevant and material" are:

- a) Directorships, including Non-Executive Directorships held in private companies or plcs (with the exception of those of dormant companies);
- b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;
- d) A position of Authority in a charity or voluntary organisation in the field of health and social care;
- e) Any connection with a voluntary or other organisation contracting for NHS services.
- f) Research funding/grants that may be received by an individual or their department;
- g) Interests in pooled funds that are under separate management. (any relevant company included in this fund that has a potential relationship with the Trust must be declared);

Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in SO 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare their interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.2.3 Advice on Interests

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Company Secretary.

The Membership, Procedure and Administration Arrangements Regulations require that the pecuniary interest of directors' spouses and cohabiting partners, in contracts should be declared. Any members of the Board who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them has a pecuniary interest, direct or indirect, the Board member shall declare their interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.2.4 Recording of Interests in Trust Board minutes

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

Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting.

7.2.5 **Publication of declared interests in Annual Report**

Board members' directorships of companies likely or possibly seeking to do business with the NHS are available to the public on the Trust's website as a defined requirement of NHS England and should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.2.6 **Conflicts of interest which arise during the course of a meeting**

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision (See overlap with SO 7.4).

7.3 **Register of Interests**

7.3.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular, the Register will include details of all directorships and other relevant and material interests (as defined in SO 7.2.2) which have been declared by both executive and non-executive Trust Board members.

7.3.2. These details will be kept up to date and entered into the register as defined in the Declarations of Interests, Gifts, Sponsorship and Hospitality Policy.

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

7.4 **Exclusion of Chairman and Members in proceedings on account of pecuniary interest**

7.4.1 **Interpretation of 'Pecuniary' interest**

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- (i) "**spouse**" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);
- (ii) "**contract**" shall include any proposed contract or other course of dealing.
- (iii) "**Pecuniary interest**"

Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:

- a) they, or a nominee of this person, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
- b) they are a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

(iv) **Exception to Pecuniary interests**

A person shall not be regarded as having a pecuniary interest in any contract if:

- a) neither they or any person connected with them has any beneficial interest in the securities of a company of which they, or such person appears as a member, or
- b) any interest that they or any person connected with them may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence them in relation to considering or voting on that contract, or
- c) those securities of any company in which they (or any person connected with them) has a beneficial interest do not exceed £10,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with SO 7.2.2 (ii).

7.4.2 Exclusion in proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chairman or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as they may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to them in the interests of the National Health Service that the disability should be removed (See SO 7.4.3 on the 'Waiver' which has been approved by the Secretary of State for Health and Social Care).
- (iii) The Trust Board may exclude the Chairman or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which they have a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairman or a Member by virtue of paragraph 11 of Schedule 4 to the National Health Service Act 2006 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not they are also a member of the Trust) as it applies to a member of the Trust.

7.4.3 Waiver of Standing Orders made by the Secretary of State for Health and Social Care

(1) Power of the Secretary of State to make waivers

Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 (“the Regulations”), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a chairman or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

(2) Definition of ‘Chairman’ for the purpose of interpreting this waiver

For the purposes of paragraph 7.4.3. (3) (below), the “relevant chairman” is –

- (a) at a meeting of the Trust, the Chairman of that Trust;
- (b) at a meeting of a Committee –
 - (i) in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
 - (ii) in the case of any other member, the Chairman of that Committee.

(3) Application of waiver

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.

It will apply to:

- (i) A member of the North Middlesex University Hospital NHS Trust (“the Trust”), who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –
 - (a) services under the National Health Service Act 2006; or
 - (b) services in connection with a pilot scheme under the National Health Service Act 2006;for the benefit of persons for whom the Trust is responsible.
- (ii) Where the ‘pecuniary interest’ of the member in the matter which is the subject of consideration at a meeting at which he is present:-
 - (a) arises by reason only of the member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
 - (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
 - (i) are members of the same profession as the member in question,

- (ii) are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

(4) **Conditions which apply to the waiver and the removal of having a pecuniary interest**

The removal is subject to the following conditions:

- (a) the member must disclose their interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.4.3 (2) (b) above, except where that member is the Chief Executive;
- (c) **in the case of a meeting of the Trust:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may not vote on any question with respect to it.
- (d) **in the case of a meeting of the Committee:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may vote on any question with respect to it; but
 - (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

7.5 Standards of Business Conduct

7.5.1 Trust Policy and National Guidance

All Trust staff and members of must comply with the Nolan Principles of Public Life, and the Trust's Declaration of Interests, Gifts, Sponsorship and Hospitality Policy which incorporates the Standards of Business Conduct.

7.5.2 Interest of employees in Contracts

- (i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in SO 7.3) has any pecuniary interest, direct or indirect, the employee shall declare their interest by giving notice in writing of such fact to the Chief Executive or Company Secretary as soon as practicable.
- (ii) An Officer should also declare to the Accountable Officer any other employment or business or other relationship of theirs, or of a sibling, parent or cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- (iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

7.5.3 Canvassing of and Recommendations by Members in Relation to Appointments

- (i) Canvassing of directors of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- (ii) Directors of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- (ii) Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

7.5.4 Relatives of Directors or Employees

- (i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- (ii) The Chairman and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Accountable Officer to report to the Trust Board any such disclosure made.
- (iii) On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- (iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and members in proceedings on account of pecuniary interest' (SO 7) shall apply.

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

8.1 Custody of Seal

The common seal of the Trust shall be kept by the Accountable Officer, or a Manager nominated by them, in a secure place.

8.2 Sealing of Documents

The fixing of the seal of the Trust shall be authenticated by the signature of the Accountable Officer or of some other person authorised either generally or specially by the Trust for that purpose, and of one other Executive Director.

8.3 Register of Sealing

The Accountable Officer shall keep a register in which they, or another manager of the Trust authorised by them, shall enter a record of the sealing of every document. The entry shall be signed by the persons who approved and authorised the sealing of the document; and who attested the seal.

A report of all sealing shall be made to the Board at least quarterly. The report shall contain details of the seal number, the description of the document and the date of sealing.

8.4 Use of Seal – General guide

The seal will be used for the following purposes:

- All contracts for the purchase/lease of land and/or building
- All contracts for capital works exceeding £100,000
- All lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds beyond five years
- Any other lease agreement where the total payable under the lease exceeds £100,000
- Any contract or agreement with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000.

8.5 Signature of documents

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Accountable Officer and one other Executive Director or the Board shall have given the necessary authority to some other person for the purpose of such proceedings.

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

9. MISCELLANEOUS (see overlap with SFI 11.3)

9.1 Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Sections 75, 76 and 256 of the NHS Act 2006. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under the Health Act 2006 (See overlap with SFI 11.3).

10. BREACHES OF STANDING ORDERS

- 10.1 The Accountable Officer shall be advised of any breaches of Standing Orders. These shall be investigated by an officer nominated by them including, where appropriate and necessary, the Local Counter Fraud Specialist.
- 10.2 The Audit Committee shall be advised of any breaches of Standing Orders (including breaches of the Scheme of Reservation and Delegation, and the Standing Financial Instructions).
- 10.3 The investigating officer shall carry out their investigation in accordance with relevant legislation and Trust policies and procedures for such investigations.

- 10.4 The investigation shall seek to determine:
- The circumstances of the breach and ascertain, as far as possible, why the breach occurred;
 - Possible implications for the Trust and actions that can be taken to mitigate these recommendations to prevent the breach happening again.
- 10.5 The investigating officer will report back to the Accountable Officer or to an officer nominated by them. A formal report will be made to the Audit Committee prior to consideration by the Board for action or ratification (see SO 5.6 'Duty to report non-compliance with Standing Orders and Standing Financial Instructions').
- 10.6 Nothing in this section shall be construed as preventing a member of staff from making a disclosure under the Public Interest Disclosure Act.

11. REVIEW OF STANDING ORDERS

- 11.1 Standing Orders, including the Scheme of Reservation and Delegation and the Standing Financial Instructions, shall be reviewed annually, or earlier, if developments within or external to the Trust indicate the need for a significant revision to the Standing Orders. The requirement to review extends to all documents having the effect as if incorporated in Standing Orders.
- 11.2 Any change will be reviewed by the Audit Committee before a recommendation is made to the Board for adoption.
- 11.3 The Company Secretary shall make available a copy of the Standing Orders to each director of the Trust and to such other employees as the Accountable Officer considers appropriate.
- 11.4 A copy of these Standing Orders will be held, with unrestricted access to all staff, on the Trust's intranet site.

SECTION C - SCHEME OF RESERVATION AND DELEGATION

1. INTRODUCTION

- 1.1 NHS Trusts are required to demonstrate the existence of comprehensive governance arrangements which may be delegated in accordance with Section 15 of Schedule 7 of the National Health Service Act 2006.
- 1.2 This document is the Scheme of Reservation and Delegation for North Middlesex University NHS Trust, which sets out those decisions which are reserved for the Trust Board and those which may be delegated to a committee, sub-committee, or a Director or Officer of the Trust.
- 1.3 The arrangements are to be read in conjunction with and subject to the Standing Orders (SOs) and Standing Financial Instructions (SFIs) adopted by the Trust. Details of the Delegation of Duties implied from Standing Orders and Standing Financial Instructions are given in Section 5 of this document.
- 1.4 It should be noted that the Board remains accountable for all of its functions, even those delegated to the Chairman, individual Directors or Officers and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

2. RESERVATION OF POWERS TO THE BOARD

- 2.1 The Code of Accountability which has been adopted by the Trust requires the Board to determine those matters on which decisions are reserved unto itself. These reserved matters are set out below:

<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
<p>Regulation and Control</p> <ol style="list-style-type: none">1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.
<p>Suspend Standing Orders</p> <ol style="list-style-type: none">1. Vary or amend the Standing Orders.2. Ratify any urgent decisions taken by the Chairman, Accountable Officer or Chief Executive in public session in accordance with SO 5.2.3. Approve a scheme of reservation and delegation of powers from the Board to committees.4. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.5. Require and receive the declaration of officers' interests that may conflict with those of the Trust.6. Approve arrangements for dealing with complaints.7. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.8. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.9. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.

10. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.
11. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.
12. Approve arrangements relating to the discharge of the Trust's responsibilities as a custodian for patients' property.
13. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Accountable Officer's attention in accordance with SO 5.6.
14. Formally address with members of the Board who are in breach of statutory requirements or SOs.

Appointments/ Dismissal

1. Appoint the Vice Chairman of the Board.
2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.
3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2).
4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
5. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).
6. Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the Accountable Officer for staff not covered by the Remuneration Committee.

Strategy, Business Plans and Budgets

1. Define the strategic aims and objectives of the Trust.
2. Identify the key strategic risks, evaluate them and ensure adequate responses are in place and are monitored.
3. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.
4. Approve the Trust's policies and procedures for the management of risk.
5. Approve Outline and Final Business Cases in excess of £1.0m.
6. Approve budgets.
7. Approve annually Trust's proposed organisational development proposals.
8. Approve proposals for acquisition, disposal or change of use of land and/or buildings.
9. Approve PFI proposals.
10. Approve the opening of bank accounts.
11. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £1.5m over a 3-year period or the period of the contract if longer.
12. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Accountable Officer and Chief Finance Officer (for losses and special payments) previously approved by the Board.
13. Approve individual compensation payments.
14. Approve proposals for action on litigation against or on behalf of the Trust.
15. Review use of NHSLA risk pooling schemes.

Policy Determination

1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.

Audit

1. Approve the appointment (and where necessary dismissal) of Internal Auditors. Approval of external auditors' arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit Committee meetings who will take appropriate action.
2. Receive the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.
3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.

Annual Reports and Accounts

1. Receipt and approval of the Trust's Annual Report and Annual Accounts.
2. Receipt and approval of the Annual Report and Accounts for funds held on trust.

Monitoring

1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated.
2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.
3. Receive reports from Chief Finance Officer on financial performance against budget and business plan.
4. Receive reports from Chief Finance Officer on actual and forecast income from SLAs.

Buildings, Land and Equipment

- 1 To ensure that the capital programme is within the terms of the Capital Resourcing limit.
- 2 To approve all material asset disposals and transfers.
- 3 To determine matters relating to land and property transactions other than those covered by any delegation to the Accountable Officer and to approve any transactions being subject to procedures set by the Secretary of State.
- 4 To approve capital programmes and determine guidelines within which the Accountable Officer and/or Capital Review Group may approve variations to the programme.

General

- To establish and maintain relationships with other relevant external bodies.
- To consider any other matters not falling within the established policies and practice of the Trust of which officers think desirable or expenditure to be considered by the Board.
- To establish management arrangements as appropriate and to consider specific management of other aspects of the Trust's responsibilities.
- To appoint Directors and Officers to represent the Trust on other bodies.
- To approve the appointment of professional advisors where such approval is required in accordance with Standing Orders.
- To approve significant Trust policies as required.
- Establishment and agreement of terms of reference and constitution of Committees of the Board.

3. DELEGATION OF POWERS

3.1 Delegation to Committees

The Board may determine that certain of its powers shall be exercised by Committees. The composition and terms of reference of such committees shall be that determined by the Board from time to time taking into account where necessary the requirements of the Secretary of State (including the need to appoint an Audit Committee and Remuneration Committee). The Trust shall determine the reporting requirements in respect of these committees. In accordance with SO 5.5, committees may not delegate executive powers to sub committees unless expressly authorised by the Board.

3.2 Delegation to Officers

SOs and SFIs set out in some detail the financial responsibilities of the Accountable Officer, Chief Executive, the Chief Finance Officer and other directors. Certain matters needing to be covered in the scheme of delegation are not covered in SFIs or SOs or they do not specify the responsible officer. These are:

Area of responsibility / Overall Responsibility

- **General Data Protection Regulation** - Accountable Officer has overall accountability, however day to day responsibility is delegated to the Chief Information Officer.
- **Health & Safety Arrangements** - Accountable Officer has overall accountability, however lead responsibility is delegated to the Director of Strategic Projects with operational responsibility devolved to all Directorates.

3.2.1 Role of the Accountable Officer

All powers of the Trust which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee shall be exercised on behalf of the Board by the Accountable Officer. A detailed Scheme of Delegation identifying which functions the Accountable Officer shall perform personally and which functions have been delegated to other Directors and Officers, is shown in Section 4.

The Accountable Officer will establish appropriate management arrangements to ensure that senior officers pursue the Trust's policies in a corporate manner.

All powers delegated by the Accountable Officer can be re-assumed by them should the need arise.

3.2.2 Directors' Ability to Delegate their own Delegated Powers

A detailed Scheme of Delegation is shown in Section 4, and includes delegated procedures for the approval of the expenditure. It should be used in conjunction with the system of budgetary control and other established procedures within the Trust.

3.2.3 Management Team

Decisions taken on the basis of this document should also have regard to the relevant Trust policies and procedures. The Chief Executive will establish appropriate management arrangements to ensure that senior Officers pursue the Trust's policies in a corporate manner.

3.2.4 Absence of Directors or Officer to Whom Powers have been Delegated

In the absence of a director or officer to whom powers have been delegated those powers shall be exercised by the person acting on behalf of that officer in their absence and to whom authority has been delegated.

3.2.5 Financial Delegation

Managers will exercise financial delegation and virement arrangements in accordance with the Trust's Budgetary Rules.

Where more than one officer has delegated authority to commit expenditure from a fund, those officers have an obligation to consult with each other to ensure that the total committed does not exceed the approved Budget for the year, or the balance in the fund at any time as appropriate.

4. DERIVED SCHEMES OF DELEGATION

4.1 The Schemes of Delegation outlined in Section 3 cover those duties delegated to Committees, Directors, or Officers from the following documents

- The codes of Conduct and Accountability
- Standing Orders
- Standing Financial Instructions

5. DETAILED SCHEMES OF DELEGATION

5.1 Decisions / Duties delegated by the Board to Committees

REF	COMMITTEE	DECISIONS / DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 2.1.1	AUDIT COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board on internal and external audit services; 2. Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives; 3. Monitor compliance with Standing Orders and Standing Financial Instructions; 4. Review schedules of losses and compensations and making recommendations to the Board; 5. Review schedules of debtor/creditor balances >£10k, >3 months when require; 6. Review the annual financial statements prior to submission to the Board; 7. Review tender waivers and write off of debts.
SFI 11.1.2	REMUNERATION COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board about appropriate remuneration and terms of service for the Accountable Officer, Chief Executive, other Executive Directors and other senior employees including: <ul style="list-style-type: none"> • All aspects of salary (including any performance-related elements/bonuses); • Arrangements for termination of employment and other contractual terms; • Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff; • Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advice on and oversee appropriate contractual arrangements for such staff; 2. The Committee shall report in writing to the Board the basis for its recommendations.
	CHARITABLE FUNDS COMMITTEE	The Committee will discharge its duties as per the Terms of Reference as approved by the Board.
	QUALITY COMMITTEE	The Committee will discharge its duties as per the Terms of Reference as approved by the Board.

REF	COMMITTEE	DECISIONS / DUTIES DELEGATED BY THE BOARD TO COMMITTEES
	FINANCE, PERFORMANCE AND PLANNING COMMITTEE	The Committee will discharge its duties as per the Terms of Reference as approved by the Board.
	WORKFORCE COMMITTEE	The Committee will discharge its duties as per the Terms of Reference as approved by the Board.
	OTHER COMMITTEES / SUB COMMITTEES AS ESTABLISHED BY THE BOARD	The Committee will discharge their duties as per the Terms of Reference as approved by the Board.

5.2 Scheme of Delegation derived from the Accountable Officer Memorandum

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

REF	DELEGATED TO	DUTIES DELEGATED
18	ACCOUNTABLE OFFICER AND CHIEF FINANCE OFFICER	Accountable Officer, supported by the Chief Finance Officer, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	ACCOUNTABLE OFFICER	If the Accountable Officer considers the Board or Chairman is doing something that might infringe probity or regularity, they should set this out in writing to the Chairman and the Board. If the matter is unresolved, they should ask the Audit Committee to inquire and if necessary NHS Improvement (NHSI) and Department of Health and Social Care (DHSC).
21	ACCOUNTABLE OFFICER	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Accountable Officer's responsibility for value for money, the Accountable Officer should draw the relevant factors to the attention of the Board. If the outcome is that the Accountable Officer is overruled it is normally sufficient to ensure that the Accountable Officer's advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Accountable Officer should inform NHSI and the DHSC. In such cases, and in those described in reference 24, the Accountable Officer should as a member of the Board vote against the course of action rather than merely abstain from voting.

5.3 Scheme of Delegation derived from the Codes of Conduct and Accountability

REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 and 1.3.2.2 1.31.10	ALL BOARD MEMBERS	Subscribe to Code of Conduct.
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIRMAN AND NON-EXECUTIVE / OFFICER MEMBERS	Chairman and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
1.3.2.4	BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health and Social Care on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of integrated governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.

REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within statutory financial and other constraints; 2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, 3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board; 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Accountable Officer, Chief Executive and (with the latter two) other Executive Board members; 6. appoint Non-Executive Board members to an Audit Committee of the main Board; 7. advise the Secretary of State on the performance of Non-Executive Board members.

REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
1.3.2.5	ACCOUNTABLE OFFICER	<p>The Accountable Officer is accountable to the Chairman and Non-Executive directors of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Accountable Officer should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board. These shall normally be delegated to the Chief Executive.</p> <p>The other duties of the Accountable Officer as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
1.3.2.6	NON-EXECUTIVE DIRECTORS	<p>Non-Executive Directors are appointed by the Appointments Commission to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care to Ministers and to the local community.</p>
1.3.2.8	CHAIRMAN AND DIRECTORS	<p>Declaration of conflict of interests.</p>
1.3.2.9	BOARD	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health and Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.</p>

5.4 Scheme of Delegation derived from Standing Orders

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

SO REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
7.3	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
7.5	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" (the guidance contained within this document referring to the 'Prevention of Corruption Acts 1906 and 1916' has been superseded by the 'Bribery Act 2010'), the Code of Conduct for NHS Managers 2002 and the Association of the British Pharmaceutical Industry (ABPI) Code of Practice for the Pharmaceutical Industry Second 2012 Edition relating to hospitality / gifts from pharmaceutical/external industry.
7.5	ALL	Disclose relationship between self and candidate for staff appointment. (Chief Executive to report the disclosure to the Board.)
8.1/8.3	ACCOUNTABLE OFFICER	Keep seal in safe place and maintain a register of sealing.
8.4	ACCOUNTABLE OFFICER / EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

5.5 Scheme of Delegation derived from Standing Financial Instructions

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
1.1.3	CHIEF FINANCE OFFICER	Approval of all financial procedures.
1.1.4	CHIEF FINANCE OFFICER	Advice on interpretation or application of SFIs.
1.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Finance Officer as soon as possible.
1.2.4	ACCOUNTABLE OFFICER	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
1.2.4	ACCOUNTABLE OFFICER AND CHIEF FINANCE OFFICER	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.2.5	ACCOUNTABLE OFFICER	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.2.6	CHIEF FINANCE OFFICER	Responsible for: <ul style="list-style-type: none"> a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc. as are required for the Trust to carry out its statutory duties. f) The design, implementation and supervision of systems of internal control.
1.2.7	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and financial procedures.
1.2.8	ACCOUNTABLE OFFICER	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
2.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
2.1.2	CHAIRMAN	Raise the matter at the Board meeting where the Chairman of the Audit Committee considers there is evidence of ultra vires transactions or improper acts.
2.1.3 and 2.2.1	CHIEF FINANCE OFFICER	a) Ensure an adequate internal audit service, for which they are accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.) b) Ensure the annual audit report is prepared for consideration by the Audit Committee.
2.2.1	CHIEF FINANCE OFFICER	Decide at what stage to involve the Local Counter Fraud Specialist (LCFS) and the police in cases of misappropriation and other irregularities not involving fraud or bribery.
2.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Standards and best practice.
2.4	AUDIT COMMITTEE	Ensure cost-effective External Audit.
2.5	ACCOUNTABLE OFFICER AND CHIEF FINANCE OFFICER	Monitor and ensure compliance with the NHS requirements to meet Government Functional Standard 013:Counter Fraud including the appointment of the LCFS.
2.5	CHIEF FINANCE OFFICER	Prepare an 'Anti-Fraud and Bribery Policy' that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.
2.6	ACCOUNTABLE OFFICER	Monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care on NHS security management including appointment of the Local Security Management Specialist (standards are now a good practice guide only).
3.1.1	ACCOUNTABLE OFFICER	Compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload, delivery of services or resources required to achieve the plan.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
3.1.2 and 3.1.3	CHIEF FINANCE OFFICER	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts. Monitor financial performance of partnerships.
3.1.6	CHIEF FINANCE OFFICER	Ensure adequate training is delivered on an on- going basis to budget holders.
3.3.1	ACCOUNTABLE OFFICER	Delegate budgets to budget holders.
3.3.2	ACCOUNTABLE OFFICER AND BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
3.4.1	CHIEF FINANCE OFFICER	Devise and maintain systems of budgetary control.
3.4.2	BUDGET HOLDERS	Ensure that a) any overspend or reduction of income must be identified by the budget holder and reported to the appropriate hierarchy; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the Accountable Officer other than those provided for within available resources and manpower establishment.
3.4.3	ACCOUNTABLE OFFICER	Identify and implement cost improvements and income generation activities in line with the Business Plan.
3.6.1	ACCOUNTABLE OFFICER	Submit monitoring returns.
4.1	CHIEF FINANCE OFFICER	Preparation of annual accounts and reports.
5.1	CHIEF FINANCE OFFICER	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
5.4	CHIEF FINANCE OFFICER	a) Review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money. b) Ensure competitive tenders are sought at least every 5 years (when applicable).

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
6.	CHIEF FINANCE OFFICER	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
6.2.3	ALL EMPLOYEES	Duty to inform Chief Finance Officer of money due from transactions which they initiate/deal with.
7.	ACCOUNTABLE OFFICER	Tendering and contract procedure.
7.6.3	ACCOUNTABLE OFFICER / CHIEF FINANCE OFFICER	Waive formal tendering procedures.
7.6.3	CHIEF FINANCE OFFICER	Report waivers of tendering procedures to the Audit Committee.
7.6.5	CHIEF FINANCE OFFICER	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the Accountable Officer.
7.7.2	ACCOUNTABLE OFFICER	Responsible for the receipt, endorsement and safe custody of tenders received.
7.7.3	ACCOUNTABLE OFFICER	Shall maintain a register to show each set of competitive tender invitations despatched.
7.7.4	ACCOUNTABLE OFFICER AND CHIEF FINANCE OFFICER	Where one tender is received will assess for value for money and fair price.
7.7.5	ACCOUNTABLE OFFICER	Responsible for treatment of 'late tenders'.
7.7.6	ACCOUNTABLE OFFICER	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
7.7.8	ACCOUNTABLE OFFICER	Will appoint a manager to maintain a list of approved firms.
7.7.9	ACCOUNTABLE OFFICER	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
7.8.2	ACCOUNTABLE OFFICER	The Accountable Officer or their nominated officer should evaluate the quotation and select the quote which gives the best value for money.
7.8.4	ACCOUNTABLE OFFICER or CHIEF FINANCE OFFICER	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
7.11	ACCOUNTABLE OFFICER	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
7.11	BOARD	All PFI proposals must be agreed by the Board.
7.12	ACCOUNTABLE OFFICER	The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
7.13	ACCOUNTABLE OFFICER	The Accountable Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
7.16	ACCOUNTABLE OFFICER	The Accountable Officer shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
7.16.5	ACCOUNTABLE OFFICER	The Accountable Officer shall nominate an officer to oversee and manage the contract on behalf of the Trust.
8.1.1	ACCOUNTABLE OFFICER	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
8.3	ACCOUNTABLE OFFICER	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA.
10.1.1	BOARD	Establish a Remuneration Committee.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
10.1.2	REMUNERATION COMMITTEE	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the Accountable Officer, Chief Executive, other officer members and senior employees not covered by agenda for change (and excluding staff whose salaries are reviewed by the Review Body on Doctors' and Dentists' Remuneration to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements;</p> <p>Monitor and evaluate the performance of individual senior employees;</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
10.1.3	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
10.2.2	ACCOUNTABLE OFFICER	Approval of variation to funded establishment of any department.
10.3	ACCOUNTABLE OFFICER	Approval of appointment of staff, including agency staff, appointments and re-grading within approved budget and funded establishment.
10.4.1 and 10.4.2	CHIEF FINANCE OFFICER	<p>Payroll:</p> <ul style="list-style-type: none"> a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 10.4.2).
10.4.3	NOMINATED MANAGERS	<ul style="list-style-type: none"> a) Submit time records in line with timetable. b) Complete time records and other notifications in required form. c) Submitting termination forms in prescribed form and on time.
10.4.4	CHIEF FINANCE OFFICER	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
10.5	NOMINATED MANAGER	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
11.1	ACCOUNTABLE OFFICER	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
11.1.3	ACCOUNTABLE OFFICER	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
11.2.1	REQUISITIONER	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
11.2.2	CHIEF FINANCE OFFICER	Shall be responsible for the prompt payment of accounts and claims.
11.2.3	CHIEF FINANCE OFFICER	<ul style="list-style-type: none"> a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; b) Prepare procedural instructions [where not already provided in the Scheme of Reservation and Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; c) Be responsible for the prompt payment of all properly authorised accounts and claims; d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; e) Be responsible for a timetable and system for payment of accounts; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; f) Instructions to employees regarding the handling and payment of accounts within the Finance Department; g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
11.2.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
11.2.4	CHIEF FINANCE OFFICER	Approve proposed prepayment arrangements.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
11.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform Chief Finance Officer if problems are encountered).
11.2.5	ACCOUNTABLE OFFICER	Authorise who may use and be issued with official orders.
11.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Chief Finance Officer.
11.2.7	ACCOUNTABLE OFFICER / CHIEF FINANCE OFFICER	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE and DoH framework arrangements such as ProCure21+ Framework. The technical audit of these contracts shall be the responsibility of the relevant Director.
11.3	CHIEF FINANCE OFFICER	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of sections 75, 76 and 256 of the NHS Act 2006.
12.1.1	CHIEF FINANCE OFFICER	The Chief Finance Officer will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
12.1.2	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Accountable Officer and Chief Finance Officer.)
12.1.3	CHIEF FINANCE OFFICER	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
12.1.4	ACCOUNTABLE OFFICER OR CHIEF FINANCE OFFICER	Be on an authorising panel comprising one other member for short term borrowing approval.
12.2.2	CHIEF FINANCE OFFICER	Will advise the Board on investments and report, periodically, on performance of same.
12.2.3	CHIEF FINANCE OFFICER	Prepare detailed procedural instructions on the operation of investments held.
13	CHIEF FINANCE OFFICER	Ensure that Board members are aware of the Financial Framework and ensure compliance.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
14.1.1 and 14.1.2	ACCOUNTABLE OFFICER	Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on business plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
14.1.2	CHIEF FINANCE OFFICER	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
14.1.3	ACCOUNTABLE OFFICER	Issue procedures for management of contracts involving stage payments.
14.1.4	CHIEF FINANCE OFFICER	Assess the requirement for the operation of the construction industry taxation deduction scheme.
14.1.5	CHIEF FINANCE OFFICER	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
14.1.6	ACCOUNTABLE OFFICER	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
14.1.7	CHIEF FINANCE OFFICER	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
14.2.1	CHIEF FINANCE OFFICER	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
14.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
14.3.1	ACCOUNTABLE OFFICER	Maintenance of asset registers (on advice from Chief Finance Officer).
14.3.5	CHIEF FINANCE OFFICER	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
14.3.8	CHIEF FINANCE OFFICER	Calculate and pay capital charges in accordance with Department of Health and Social Care requirements.
14.4.1	ACCOUNTABLE OFFICER	Overall responsibility for fixed assets.
14.4.2	CHIEF FINANCE OFFICER	Approval of fixed asset control procedures.
14.4.4	BOARD, EXECUTIVE DIRECTORS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to Chief Finance Officer, and reporting losses in accordance with Trust procedure.
15.2	ACCOUNTABLE OFFICER	Delegate overall responsibility for control of stores (subject to Chief Finance Officer responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
15.2	CHIEF FINANCE OFFICER	Responsible for systems of control over stores and receipt of goods.
15.2	DESIGNATED PHARMACEUTICAL OFFICER	To be responsible for controls of pharmaceutical stocks.
15.2	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
15.2	NOMINATED OFFICERS	Security arrangements and custody of keys
15.2	CHIEF FINANCE OFFICER	Set out procedures and systems to regulate the stores.
15.2	CHIEF FINANCE OFFICER	Agree stocktaking arrangements.
15.2	CHIEF FINANCE OFFICER	Approve alternative arrangements where a complete system of stores control is not justified.
15.2	CHIEF FINANCE OFFICER	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
15.2	NOMINATED OFFICERS	Operate system for slow moving and obsolete stock, and report to Chief Finance Officer evidence of significant overstocking.
15.3.1	ACCOUNTABLE OFFICER	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
16.1.1	CHIEF FINANCE OFFICER	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
16.2.1	CHIEF FINANCE OFFICER	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
16.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Accountable Officer, Chief Executive and Chief Finance Officer.
16.22	ALL STAFF	Discovery or suspicion of a loss of any kind which may be attributed to fraud or bribery must be reported immediately either the Chief Finance Officer, relevant LCFS or the NHSCFA.
16.2.2	CHIEF FINANCE OFFICER	Where a criminal offence is suspected the Chief Finance Officer must inform the Trust's Security and the police if theft or arson is involved. In cases of fraud and bribery the Chief Finance Officer must inform the relevant LCFS and NHSCFA in line with the NHS requirements to meet Government Functional Standard 013: Counter Fraud.
16.2.2	CHIEF FINANCE OFFICER	Notify External Audit of all frauds.
16.2.3	CHIEF FINANCE OFFICER	Notify the Accountable Officer, Board, Local Security Management Specialist (LSMS) and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
16.2.4	BOARD	Approve write off of losses (within limits delegated by DHSC).
16.2.6	CHIEF FINANCE OFFICER	Consider whether any insurance claim can be made.
16.2.7	CHIEF FINANCE OFFICER	Maintain losses and special payments register.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
17.1	CHIEF FINANCE OFFICER	Responsible for accuracy and security of computerised financial data.
17.1	CHIEF FINANCE OFFICER	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurance of adequacy must be obtained from them prior to implementation.
17.1.3	ACCOUNTABLE OFFICER	Shall publish and maintain a Freedom of Information Scheme.
17.2.1	RELEVANT OFFICERS	Send proposals for general computer systems to Chief Finance Officer.
17.3	CHIEF FINANCE OFFICER	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.
17.4	CHIEF FINANCE OFFICER	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
17.5	CHIEF FINANCE OFFICER	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) Chief Finance Officer and staff have access to such data; d) Such computer audit reviews are being carried out as are considered necessary.
18.2	ACCOUNTABLE OFFICER	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
18.3	CHIEF FINANCE OFFICER	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.

SFI REF	DELEGATED TO	AUTHORITIES / DUTIES DELEGATED
18.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
18.1	CHIEF FINANCE OFFICER	Shall ensure that each charitable trust fund which the Trust is responsible for managing is managed appropriately.
20	CHIEF FINANCE OFFICER	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
21	ACCOUNTABLE OFFICER	Retention of document procedures in accordance with Department of Health and Social Care guidance.
22.1	ACCOUNTABLE OFFICER	Risk management programme.
22.1	BOARD	Approve and monitor risk management programme.
22.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
22.4	CHIEF FINANCE OFFICER	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
22.4	CHIEF FINANCE OFFICER	Ensure documented procedures cover management of claims and payments below the deductible.

SECTION D - STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

- 1.1.1 These Standing Financial Instructions (SFIs) are issued in line with the guidance contained within the Trust (Functions) Directions 2000, issued by the Secretary of State, which require that each Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs). These Directions, although not specific to NHS Trusts, are generic enough in structure and content to be applied to Trust use.
- 1.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Reservation and Delegation adopted by the Trust.
- 1.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Chief Finance Officer.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Chief Finance Officer **MUST BE SOUGHT BEFORE ACTING**. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 1.1.5 **The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal. Where a breach of SFIs occurs which may constitute a criminal offence, criminal investigation and sanction may ensue.**
- 1.1.6 **Overriding Standing Financial Instructions** – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Finance Officer as soon as possible.

1.2 Responsibilities and delegation

1.2.1 The Trust Board

The Board exercises financial supervision and control by:

- a) Formulating the financial strategy;
- b) Requiring the submission and approval of budgets within approved allocations/overall income;
- c) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);

- d) Defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Reservation and Delegation document; and
- e) Embedding good equality and human rights practices.

1.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Reservation of Matters Reserved to the Board' document. All other powers have been delegated to such other committees as the Trust has established.

1.2.4 **The Accountable Officer and Chief Finance Officer**

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

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

1.2.5 It is a duty of the Accountable Officer to ensure that Members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these SFIs.

1.2.6 **The Chief Finance Officer**

The Chief Finance Officer is responsible for:

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

and, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Chief Finance Officer include:

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

- h) ensuring there are proper arrangements for the estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties as prepared and maintained by any shared service centre.

1.2.7 Board Members and Employees

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

- a) The security of the property of the Trust;
- b) Avoiding loss;
- c) Exercising economy and efficiency in the use of resources;
- d) Conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Reservation and Delegation.

1.2.8 Contractors and their employees

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

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

2. AUDIT

2.1 Audit Committee

- 2.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the latest NHS Audit Committee Handbook to perform those tasks as set out in its Terms of Reference.
- 2.1.2 The minutes of the Audit Committee meetings shall be formally recorded and submitted to the Board. The Chairman of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action. The Committee will report to the Board annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and registration with the Care Quality Commission.
- 2.1.3 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health and Social Care.

2.2 Chief Finance Officer

2.2.1 The Chief Finance 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;
- b) ensuring that the Internal Audit function meets the NHS mandatory audit standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;
- c) deciding at what stage to involve the police and the Local Security Management Specialist (LSMS) in cases of misappropriation and other irregularities not involving fraud or bribery;
- d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) a strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.

2.2.2 The Chief Finance Officer or designated auditors, internal or external, is 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 members of the Board or employee of the Trust;
- c) the production of any cash, stores or other property of the Trust under a member of the Board and or an employee's control; and
- d) explanations concerning any matter under investigation.

2.3 Role of Internal Audit

2.3.1 Internal Audit is an independent and objective appraisal service within an organisation which provides:

- a) an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance, support the achievement of the organisation's agreed objectives;
- b) an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

2.3.2 Internal Audit will review, appraise and report upon policies, procedures and operations in place to:

- a) establish and monitor the achievement of the organisation's objectives;
- b) identify, assess and manage the risks to achieving the organisation's objectives;
- c) ensure the economical, effective and efficient use of resources;
- d) ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- e) safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or bribery;
- f) ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

2.3.3 The Head of Internal Audit will provide to the Audit Committee:

- a) A risk-based plan of internal audit work, agreed with management and approved by the Audit Committee, based upon the management's Assurance Framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;
- b) Regular updates on the progress against plan;
- c) Reports of management's progress on the implementation of action agreed as a result of internal audit findings;
- d) An annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This opinion is used by the Board to inform the Annual Governance Statement and by a regulatory body as part of its performance management role;
- e) A report supporting Trust assurances to the Care Quality Commission;
- f) Additional reports as requested by the Audit Committee.

2.3.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Finance Officer must be notified immediately. Any incident or suspicion of fraud, bribery or corruption that comes to Internal Audit's attention will be passed immediately to the LCFS.

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

2.3.6 The Head of Internal Audit reports to the Audit Committee and is managed by the Chief Finance Officer. The reporting system for Internal Audit shall be agreed between the Chief Finance Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

2.3.7 The appointment and termination of the Head of Internal Audit and/or the Internal Audit Service must be approved by the Audit Committee.

2.4 External Audit

- 2.4.1 The Audit Committee will oversee the Trust's relationship with the External Auditor and receives independent assurance reports. In addition, the Committee will assess the Trust's external auditor's work and fees on an annual basis to ensure the work is of a sufficiently high standard and reasonable, as per section 23(6) of Schedule 7 of the NHS Act 2006.
- 2.4.2 Specifically the Committee will undertake the role of Auditor Panel in accordance with the Local Audit and Accountability Act 2014, for the purposes of appointing external auditors, directly managing the resulting contract and relationship, with effect from 2017/18
- 2.4.3 In summary the Auditor Panel will consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the appointment of the External Auditor.
- 2.4.4 Approve fees for the remuneration of the External Auditor, whether fees for audit or non-audit services.
- 2.4.5 The External Auditor is appointed by the Auditor Panel and paid for by the Trust. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the National Audit Office if the issue cannot be resolved. Any incident or suspicion of fraud, bribery or corruption that comes to External Audit's attention will be passed immediately to the LCFS.

2.5 Fraud and Corruption

- 2.5.1 In line with their responsibilities, the Trust's Accountable Officer and Chief Finance Officer shall monitor and ensure compliance with NHS requirements to meet Government Functional Standard 013: Counter Fraud.
- 2.5.2 Fraud is defined as 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.
- 2.5.3 Bribery is defined as offering, promising, giving or requesting, agreeing to receive or accepting receiving a payment of benefit-in-kind to influence others to use their position in an improper way to gain an advantage, including any offence as defined in the Bribery Act 2010.
- 2.5.4 Under Section 7 of the Bribery Act 2010, an organisation is guilty of an offence if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for the organisation, unless it can show that despite a particular case of bribery it nevertheless had adequate procedures in place to prevent persons associated with it from bribing.
- 2.5.5 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 Standing Orders, Standing Financial Instructions and Reservation and Delegation of Powers policy. For a more detailed explanation see the Anti-Fraud and Bribery Policy.
- 2.5.6 Staff must report any concerns or allegations of fraud or bribery to the Senior Compliance Officer (Chief Finance Officer) or the Local Counter Fraud Specialist (LCFS).

2.5.7 The Trust shall nominate a suitable person to carry out the duties of the LCFS as specified by the NHS Counter Fraud Manual, and guidance in compliance with the NHS requirements to meet Government Functional Standard 013: Counter Fraud.

The Board will provide clear and demonstrable support and strategic direction for counter fraud, bribery and corruption work.

The Board will review the proactive management, control and the evaluation of counter fraud, bribery and corruption work.

The Board and non-executive directors will scrutinise NHSCFA assessment reports, where applicable, and ensure that the recommendations are fully actioned.

The Audit Committee are responsible for seeking assurance that the Trust has adequate arrangements in place for countering fraud and bribery and compliance with NHSCFA requirements. This will include through, but is not limited to, reports from the LCFS, the annual self-assessment submission to the NHSCFA, and from NHSCFA inspection reports.

The Audit Committee is also responsible for approving the annual counter fraud work plan and the outcomes of all anti-fraud and bribery work within the Trust.

2.5.8 The LCFS shall report to the Trust Chief Finance Officer and shall work with staff in NHS CFA in accordance with the NHS Counter Fraud Manual.

2.5.9 The Chief Finance Officer must also prepare an 'Anti-Fraud and Bribery Policy' that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

2.5.6 The LCFS will attend Audit Committee meetings on a periodic basis and provide regular written reports, at least annually, of the counter fraud work within the Trust.

2.5.7 The Trust has a responsibility to ensure that all policies and procedures for all work related fraud and bribery are implemented, and the Trust will ensure that the findings of investigations and proactive work are implemented accordingly.

2.5.8 The Trust is required to complete and submit an annual Counter Fraud Functional Standard Return (CFFSR) to measure the effectiveness of counter fraud processes and demonstrate the level of compliance with NHS CFA requirements.

2.5.9 Any officer discovering or suspecting a loss of any kind must immediately inform the Accountable Officer and the Chief Finance Officer or the LCFS. The Chief Finance Officer and/or Accountable Officer must then inform the LCFS and operational fraud team. Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved but, if the case involves suspicion of fraud, corruption and/or anomalies that may indicate fraud or corruption, then the particular circumstances of the case will determine the stage at which the police are notified in accordance with all relevant guidance.

2.5.10 The Chief Finance Officer must notify the NHS CFA and the external auditor of all reportable frauds. For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, where significant and where fraud is not suspected, the Chief Finance Officer must immediately notify:

- The Accountable Officer
- The External Auditor.

2.6 Security Management (good practice only)

- 2.6.1 In line with their responsibilities, the Trust Accountable Officer will monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care on NHS security management.
- 2.6.2 The Trust shall nominate a suitable person to carry out the duties of the LSMS as specified by the Secretary of State for Health and Social Care guidance on NHS security management.
- 2.6.3 The Trust shall prepare a 'Security Policy' that sets out measures to protect staff, visitors, premises and assets.
- 2.6.3 The Trust shall nominate a Director to oversee the NHS Security Management service who will report to the Board.
- 2.6.4 The Accountable Officer has overall responsibility for controlling and coordinating security. However, key tasks are delegated to a Trust director and the appointed LSMS.

3. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

3.1 Preparation and Approval of Business Plans and Budgets

3.1.1 The Accountable Officer will compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain:

- a) a statement of the significant assumptions on which the plan is based;
- b) details of major changes in workload, delivery of services or resources required to achieve the plan.

3.1.2 Prior to the start of the financial year the Chief Finance Officer will, on behalf of the Accountable Officer, prepare and submit budgets for approval by the Board. Such budgets will:

- a) be in accordance with the aims and objectives set out in the annual business plan;
- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate budget holders;
- d) be prepared within the limits of available funds;
- e) identify potential risks.

The plan will bring together the results of a collaborative business planning and budget setting process. On behalf of the Accountable Officer, the Chief Finance Officer will define processes for the agreement of:

- a) Quality investments
- b) Service developments
- c) Budget re-alignments (virements)
- d) Unexpected cost pressures

3.1.3 The Chief Finance Officer shall monitor financial performance against budget and business plan, periodically review them, and report to the Board.

3.1.4 All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled.

3.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.

3.1.6 The Chief Finance Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.2 Budgetary Delegation

3.2.1 The Accountable Officer may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- a) the amount of the budget;
- b) the purpose(s) of each budget heading;
- c) individual and group responsibilities;
- d) authority to exercise virement;
- e) achievement of planned levels of service;
- f) the provision of regular reports.

3.2.2 The Accountable Officer and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Accountable Officer, subject to any authorised use of virement.

3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Accountable Officer, as advised by the Chief Finance Officer.

3.3 Budgetary Control and Reporting

3.3.1 The Chief Finance 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:
 - (i) income and expenditure to date showing trends and forecast year-end position;
 - (ii) movements in working capital;
 - (iii) movements in cash and capital;
 - (iv) capital project spend and projected outturn against plan;
 - (v) explanations of any material variances from plan;
 - (vi) details of any corrective action where necessary and the Accountable Officer's and/or Chief Finance Officer's view of whether such actions are sufficient to correct the situation;
- 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) investigation and reporting of variances from financial, workload and manpower budgets;
- d) monitoring of management action to correct variances; and
- e) arrangements for the authorisation of budget transfers.

3.3.2 Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income must be identified by the budget holder and reported to the appropriate hierarchy;

- b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- c) no permanent employees are appointed without the approval of the Accountable Officer other than those provided for within the available resources and manpower establishment as approved by the Board.
- d) Items of capital expenditure are defined within the capital investment manual. At the time of release, a de minimis level of £5,000 was stipulated by the manual. Therefore, expenditure made above this level must be reviewed by an officer designated by the Chief Finance Officer as responsible for capital expenditure.

3.3.3 The Accountable Officer is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and a balanced budget.

3.4 Capital Expenditure

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure (the particular applications relating to capital are contained in SFI 14).

3.5 Monitoring Returns

3.5.1 The Accountable Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

4. ANNUAL REPORT AND ACCOUNTS

4.1 The Chief Finance Officer, on behalf of the Trust, will:

- a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
- b) prepare and submit annual financial reports to appropriate regulatory bodies, certified in accordance with current guidelines;
- c) submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care and / or the NHS Trust Development Authority or its successor bodies.

4.2 The Trust's annual accounts must be audited by an external auditor appointed by the Trust. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the DHSC Group Accounting Manual.

5. BANK ACCOUNTS

5.1 General

5.1.1 The Chief Finance 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:

- a) guidance/ Directions issued from time to time by the Department of Health and Social Care or other regulators
- b) the Trust's cash / treasury management policy
- c) the objectives and advice of the finance and investment committee.

5.1.2 The Board shall approve the banking arrangements.

5.2 Bank Accounts

5.2.1 The Chief Finance Officer is responsible for:

- a) bank accounts;
- b) establishing separate bank accounts for the Trust's non-exchequer funds;
- c) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
- e) monitoring compliance with DHSC guidance on the level of cleared funds.

5.3 Banking Procedures

5.3.1 The Chief Finance Officer will prepare detailed instructions on the operation of bank accounts which must include:

- a) the conditions under which each bank account is to be operated;
- b) those authorised to sign cheques or other orders drawn on the Trust's accounts.

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

5.3.3 The Chief Finance Officer must advise the bank in writing, including a copy of the Board's resolution, of the conditions under which each account will be operated; the limits to be applied to any overdraft and the limitation on single signatory payments and any changes that may be required by financial regulations of the National Health Service or by resolution of the Board of Directors as may be necessary from time to time. In addition, the Chief Finance Officer shall advise the bankers, in writing, of the officer(s) and/ or Director(s) authorised to release money from, and draw cheques on, each bank account of 'the North Middlesex University Hospital NHS Trust' and shall notify promptly the cancellation of any such authorisation.

5.3.4 Where an agreement is entered into with any other body for payment to be made on behalf of 'the North Middlesex University Hospital NHS Trust' from bank accounts maintained in the name of the Trust or other body, or by Electronic Funds Transfer, the Chief Finance Officer shall ensure that satisfactory security regulations of the Trust / other body relating to bank accounts exist and are observed. This will be specified in a Service Level Agreement with the appropriate body.

5.4 Tendering and Review

5.4.1 The Chief Finance Officer will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.

5.4.2 Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for accounts nominated by the Department of Health.

6. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER FINANCIAL INSTRUMENTS

6.1 Income Systems

6.1.1 The Chief Finance Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

6.1.2 The Chief Finance Officer is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges

6.2.1 The Trust shall follow national guidance where applicable in setting prices for NHS contracts.

6.2.2 The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health and Social Care's Commercial Sponsorship – Ethical standards in the NHS shall be followed.

6.2.3 All employees must inform the Chief Finance Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

6.3 Debt Recovery

6.3.1 The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.

6.3.2 Income not received should be dealt with in accordance with losses procedures.

6.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

6.4 Security of Cash, Cheques and other Financial Instruments

6.4.1 The Chief Finance Officer is responsible for:

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

6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

6.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

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

7. TENDERING AND CONTRACTING PROCEDURE

The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles, for the rendering of services for building and engineering works of construction and maintenance (including construction and maintenance of grounds and gardens) for disposals.

7.1 Duty to comply with Standing Orders and Standing Financial Instructions

The procedure for letting all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where SO 3.13 Suspension of Standing Orders is applied).

7.2 All personnel involved in tendering and contacting activities must be aware of the Bribery Act 2010 and must ensure that all dealings with other organisations and their staff do not bring them in breach of the Act that could leave them open to criminal proceedings being commenced.

7.3 EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health and Social Care (DHSC) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

7.4 Reverse eAuctions

The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions. A decision to run reverse e-auctions will lie with the Partners Procurement Service (PPS) and is covered within the purchasing and contracts procedures document.

7.5 Capital Investment Manual and other Department of Health Guidance

The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estatecode" in respect of capital investment and estate and property transactions.

7.6 Formal Competitive Tendering

7.6.1 General Applicability

The Trust shall ensure that competitive tenders are invited for:

- the supply of goods, materials and manufactured articles;
- the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DHSC);
- for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens);
- for disposals.

7.6.2 Health Care Services

Where the Trust elects to invite tenders for the supply of social and other specific services as detailed in schedule 3 of the Public Contracts regulations 2015 (whether by sub contract or otherwise), the Trust must consider its duties and the route whereby such services should be procured. Where the circumstances require advertisement, these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with SFI 8 and SFI 9.

7.6.3 Exceptions and instances where formal tendering need not be applied

Formal tendering procedures **need not be applied** where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed legal limits or the amounts stated within the Trust's Scheme of Reservation and Delegation;
- b) where the supply is proposed under framework arrangements negotiated by the DHSC or another NHS/public body which includes Procure21+ and framework agreements in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in SFI 16;

Formal tendering procedures **may be waived** in the following circumstances:

- d) in very exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- e) where the requirement is covered by an existing contract;
- f) where Government Procurement Service (GPS), London Procurement Programme (LPP) and HTE arrangements are in place;

- g) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- h) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- i) specialist expertise, such as ongoing maintenance contracts, is required and is available from only one source;
- j) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- k) there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- l) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

The Chief Finance Officer will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

- m) where allowed and provided for in the Capital Investment Manual.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

All waivers should be approved by signature of:

- (i) Chief Finance Officer up to £250,000
- (ii) Plus Accountable Officer for values above.

Waivers must be documented using the standard waiver form.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at each meeting.

- n) Competition is deemed to have been carried out if the requirement is covered by a previously tendered contract undertaken by an NHS body such as GPS, NHS Supply Chain, LPP or other approved body; or there is a consortium arrangement in place. In such circumstances a waiver will not be required.

7.6.4 Fair and Adequate Competition

Where the exceptions set out in SFI 7.1 and 7.6.3 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having

regard to their capacity to supply the goods or materials or to undertake the services or works required.

The only exception to this rule would be in the case that competitive dialogue tendering procedures are used. In this case, the minimum number of economic operators invited to dialogue shall be no less than three, in the case that the total value of the contract is above the OJEU limit. However, at the post dialogue phase this can be reduced to a minimum of two tenders, unless exceptional circumstances exist where this isn't possible, and with approval of the project team on behalf of the Chief Finance Officer. If the Trust considers it appropriate to continue with less than three bidders, it must ensure that there is transparent competition and all evidence documented. Public sector procurement guidelines must be followed in all instances.

Where a purchase exceeds the OJEU limit, but only a single provider is identified, having advertised our requirements, approval must be sought from the Chief Finance Officer together with one other executive prior to award of the contract.

7.6.5 List of Approved Firms

If appropriate, the Trust shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on an approved list, the reason shall be recorded in writing to the Accountable Officer (see SFI 7.7.8 List of Approved Firms). All prospective tenderers will be subject to financial viability checks through approved means and the taking up of references, where appropriate, before any tendering and quotation process may commence.

7.6.6 Items which subsequently breach thresholds after original approval

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Accountable Officer, and be recorded in an appropriate Trust record and reported to the Audit Committee.

7.7 Contracting/Tendering Procedure

7.7.1 Invitation to tender

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) All invitations to tender shall state that no tender will be accepted unless:
 - a) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Accountable Officer or nominated Manager;
 - b) that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (iii) Every tender for goods, materials, services or disposals shall embody such of the standard NHS Contract conditions as are applicable.
- (iv) Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current

edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with Concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

- (v) Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practice.

7.7.2 Receipt and safe custody of tenders

The Accountable Officer or their nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

7.7.3 Opening tenders and register of tenders

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Accountable Officer and not from the originating department.
- (ii) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.
- (iii) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved Senior Manager from serving as one of the two senior managers to open tenders.
- (iv) All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.

The Company Secretary will count as a director for the purposes of opening tenders.

- (v) A register shall be maintained by the Accountable Officer, or a person authorised by them, to show for each set of competitive tender invitations despatched:
 - the name of all firms individuals invited;
 - the names of firms individuals from which tenders have been received;
 - the date the tenders were received and opened;
 - the persons present at the opening;
 - the price shown on each tender;
 - a note where price alterations have been made on the tender and suitably initialled.

Each entry to this register shall be signed by those present.

A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.

- (vi) 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 their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (SFI 7.6.5 below).

7.7.4 Admissibility

- (i) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Accountable Officer.
- (ii) Where only one tender is sought and/or received, the Accountable Officer and Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

7.7.5 Late tenders

- (i) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Accountable Officer or their nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- (ii) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Accountable Officer or their nominated officer or if the process of evaluation and adjudication has not started.
- (iii) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Accountable Officer or their nominated officer.
- (iv) Accepted late tenders will be reported to the Board.

7.7.6 Acceptance of formal tenders (See overlap with SFI 7.8)

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of a contract will not disqualify the tender.
- (ii) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- a) experience and qualifications of team members;
- b) understanding of client's needs;
- c) feasibility and credibility of proposed approach;
- d) ability to complete the project on time.

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

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
- (iv) The use of these procedures must demonstrate that the award of the contract was:
 - a) not in excess of the going market rate / price current at the time the contract was awarded;
 - b) that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

7.7.7 Tender reports to the Trust Board

Reports to the Trust Board will be made on an exceptional circumstance basis.

7.7.8 List of approved firms (see SFI 7.6.5)

a) Responsibility for maintaining list

If necessary, a manager nominated by the Accountable Officer shall on behalf of the Trust maintain any lists of approved firms from who tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include firms who have applied for permission to tender and as to whose technical and financial competence the Trust is satisfied. All suppliers must be made aware of the Trust's terms and conditions of contract.

b) Building and Engineering Construction Works

- (i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Department of Health and Social Care guidance.
- (ii) Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equal Pay Act 1970, the Sex Discrimination Act 1975 and 2006, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944, the Disability Discrimination Act 1995, the Employment Rights Act 1999, the Civil Partnership Act 2004, the Disability Discrimination Act 2005, the Employment Equality (Religion or Belief) Regulations SI 2003/1660, the Employment Equality (Sexual Orientation) Regulations SI 2003/1661, the Employment Equality (Age) Regulations SI 2006/1031 and any amending and/or related and latest legislation.
- (iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

c) Financial Standing and Technical Competence of Contractors

The Chief Finance Officer may make or institute any enquiries he deems appropriate concerning the financial standing and financial suitability of approved contractors. The director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

7.7.9 Exceptions to using approved contractors

If in the opinion of the Accountable Officer and the Chief Finance Officer or the Director with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Accountable Officer should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

7.8 Quotations: Competitive and non-competitive

7.8.1 General Position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed the level defined in the Trust's Scheme of Reservation and Delegation.

7.8.2 Competitive Quotations

- (i) Quotations should be obtained from firms/individuals in line with the Scheme of Reservation and Delegation, and based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) Quotations should be in writing unless the Accountable Officer or their nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) The Accountable Officer or their nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

7.8.3 Non-Competitive Quotations

Non-competitive quotations in writing may be obtained in the following circumstances:

- (i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- (ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;

- (iii) miscellaneous services, supplies and disposals;
- (iv) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e.: (i) and (ii) of this SFI) apply.

7.8.4 Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Accountable Officer or Chief Finance Officer.

7.9 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the value of the contract as per the Trust's Scheme of Reservation and Delegation:

Levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Reservation and Delegation.

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

7.10 Instances where formal competitive tendering or competitive quotation is not required

Where competitive tendering or a competitive quotation is not required the Trust should adopt one of the following alternatives:

- a) The Trust shall use the Government Procurement Service for procurement of all goods and services unless the Accountable Officer or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

- b) If the Trust does not use the Government Procurement Service - where tenders or quotations are not required, because expenditure is below that stated in the Trust Scheme of Reservation and Delegation, the Trust shall procure goods and services in accordance with procurement procedures approved by the Chief Finance Officer.

7.11 Private Finance for capital procurement (see overlap with SFI 15)

The Trust should normally market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

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

7.12 Compliance requirements for all contracts

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

- a) The Trust's Standing Orders and Standing Financial Instructions;
- b) EU Directives and other statutory provisions;
- c) any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants;
- d) Such of the NHS standard contract conditions as are applicable.
- e) Care Quality Commission requirements;
- f) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance.
- g) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- h) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

7.13 Personnel and Agency or Temporary Staff Contracts

The Accountable Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

The Director of HR is responsible for ensuring the trust has robust procedures covering engagement of agency staff and for entering into appropriate and robust agreements with agencies through national framework agreements or exception circumstances directly. In all cases the rules of competition as set out by this instruction (SFI 7) must be adhered to.

7.14 Healthcare Services Agreements (see overlap with SFI 8)

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS and Community Care Act 1990 and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

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

7.15 Disposals (See overlap with SFI 16)

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

- a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Accountable Officer or nominated officer;
- b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- c) items to be disposed of with an estimated sale value of that which is stated within the Trust's Scheme of Reservation and Delegation: this figure to be reviewed on a periodic basis;
- d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- e) land or buildings concerning which DHSC guidance has been issued but subject to compliance with such guidance.

7.16 In-house Services

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

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

- a) Specification group, comprising the Accountable Officer or nominated officer/s and specialist.
- b) In-house tender group, comprising a nominee of the Accountable Officer and technical support.
- c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Chief Finance Officer representative. For services having a likely annual expenditure exceeding that stated within the Trust's Scheme of Reservation and Delegation, a non-officer member should be a member of the evaluation team.

7.16.3 All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders.

7.16.4 The evaluation team shall make recommendations to the Board.

7.16.5 The Accountable Officer shall nominate an officer to oversee and manage the contract on behalf of the Trust.

7.17 Applicability of SFIs on Tendering and Contracting to funds held in trust (see overlap with SFI 19)

These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Trust's charitable trust funds and private resources.

8. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES (see overlap with SFI 7.14)

8.1 Service Level Agreements (SLAs)

8.1.1 The Accountable Officer is responsible for ensuring the Trust enters into suitable Service Level Agreements (SLA) with service commissioners for the provision of NHS services.

All SLAs should aim to implement the agreed priorities contained within the Plan, and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Accountable Officer should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the NHS National Performance Assessment Framework;
- that SLAs build where appropriate on existing Joint Investment Plans;
- that SLAs are based on integrated care pathways;
- Acceptable levels of risk and performance metrics/non-mandatory penalties
- The need to maintain adequate cash flow arrangements for the Trust.

8.2 Involving Partners and jointly managing risk

A good SLA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Accountable Officer to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The SLA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

8.3 Reports to the Trust Board on SLAs

The Accountable Officer will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA. This will include information on costing arrangements, which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for application across the range of SLAs.

9. COMMISSIONING

NHS Trusts do not normally commission services but if they do then they should refer to the model SFIs on Commissioning for CCGs and adopt/amend the relevant paragraphs, as appropriate.

10. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES

10.1 Remuneration and Terms of Service (see overlap with SO 4)

10.1.1 In accordance with Standing Orders the Board shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting (See NHS guidance contained in the Higgs report).

10.1.2 The Committee will:

- a) advise the Board about appropriate remuneration and terms of service for the Accountable Officer, Chief Executive and other officer members employed by the Trust including:
 - (i) all aspects of salary (including any performance-related elements/bonuses);
 - (ii) provisions for other benefits, including pensions and cars
 - (iii) arrangements for termination of employment and other contractual terms;
- b) make such recommendations to the Board on the remuneration and terms of service of officer members of the Board to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
- c) monitor and evaluate the performance of individual officer members;
- d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

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

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

10.2 Funded Establishment

10.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.

10.2.2 The funded establishment of any department may not be varied within the guidance contained within the Trust's Scheme of Reservation and Delegation.

10.3 Staff Appointments

10.3.1 No officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration without the process being conducted through Human Resources:

10.3.2 The Board will approve procedures presented by the Accountable Officer for the determination of commencing pay rates, condition of service, etc., for employees.

10.4 Processing Payroll

10.4.1 The Chief Finance Officer is responsible for:

- a) specifying timetables for submission of properly authorised time records and other notifications;
- b) the final determination of pay and allowances;
- c) making payment on agreed dates;
- d) agreeing method of payment.

10.4.2 The Chief Finance Officer will issue instructions regarding:

- a) verification and documentation of data;
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- d) security and confidentiality of payroll information;
- e) checks to be applied to completed payroll before and after payment;
- f) authority to release payroll data under the provisions of the Data Protection Act 2018;
- g) methods of payment available to various categories of employee and officers;
- h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- i) procedures for the recall of cheques and bank credits;
- j) pay advances and their recovery;
- k) maintenance of regular and independent reconciliation of pay control accounts;

- l) separation of duties of preparing records and handling cash;
- m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

10.4.3 Appropriately nominated managers have delegated responsibility for:

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

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

10.5 Contracts of Employment

10.5.1 The Board shall delegate responsibility to the Director of HR and OD 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 e.g. name, start date, ethnic origin, address, age, sex etc.

11. NON-PAY EXPENDITURE

11.1 Delegation of Authority

11.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Accountable Officer will determine the level of delegation to budget managers. Budget holders may appoint nominees who must be approved by the Chief Finance Officer. The budget holder remains responsible for the actions of nominees when they act in place of the budget holder.

11.1.2 The Accountable Officer will set out:

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

11.1.3 The Accountable Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

11.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction 16)

11.2.1 Requisitioning

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 and ensure that he/she has no conflict of interest or contravene the requirements of the Bribery Act 2010. In so doing, the advice of the Trust's adviser on supply shall be sought. Wherever possible, local Division / departmental knowledge and experience shall be taken into account to ensure appropriate choice is made. Where this advice is not acceptable to the requisitioner, the Chief Finance Officer (and/or the Accountable Officer) shall be consulted.

11.2.2 System of Payment and Payment Verification

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

11.2.3 The Chief Finance Officer will:

- a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the Trust's Scheme of Reservation and Delegation and regularly reviewed;
- b) prepare procedural instructions or guidance within the Scheme of Reservation and Delegation on the obtaining of goods, works and services incorporating the thresholds;
- c) be responsible for the prompt payment of all properly authorised accounts and claims;
- d) be responsible for designing and maintaining a system of verification and certification of the receipt of goods and services to only ensure that valid invoices, with a Trust purchase order number, are paid and minimise the opportunity for overpayment. The Trust operates a no Purchase Order (PO) no pay policy, only exceptions identified in the Trust Procurement policy are exempt. The system shall provide for:
 - (i) A list of directors/employees (including specimens of their signatures) authorised to certify invoices.
 - (ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
- (iii) A timetable and system for submission to the Chief Finance Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received.

11.2.4 Prepayments

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- b) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;
- c) The Chief Finance Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Accountable Officer if problems are encountered.

11.2.5 Official orders

Official Orders must:

- a) be uniquely identified by use of an internally approved process;
- b) be in a form approved by the Chief Finance Officer;
- c) state the Trust's terms and conditions of trade;
- d) only be issued to, and used by, those duly authorised by the Accountable Officer. Lists of authorised officers shall be maintained and a copy of each list supplied to the Chief Finance Officer.
- e) may be transmitted by a system of Electronic Data Interchange (EDI) approved by the Chief Finance Officer.

11.2.6 Duties of Managers and Officers

Managers and officers must ensure that they comply fully with the guidance and limits specified by the Chief Finance Officer, failure to do so may result in the member of staff being personally liable for the commitment they have made, and that:

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

(This provision needs to be read in conjunction with SO 6 and the principles outlined in the national guidance contained in HSG (93)5 “Standards of Business Conduct for NHS Staff”) ” (the guidance contained within this document referring to the ‘Prevention of Corruption Acts 1906 and 1916’ has been superseded by the ‘Bribery Act 2010’), the Code of Conduct for NHS Managers 2002) and the Code of Practice for the Pharmaceutical Industry Second 2012 Edition relating to hospitality / gifts from pharmaceutical/external industry.

- e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Accountable Officer;
- f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- g) verbal orders must only be issued very exceptionally - by an employee designated by the Accountable Officer and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i) Drugs, synthetic blood factors, X-ray contrast media and medical gases shall only be ordered via, or overseen by, the Pharmacy Department. This includes free of charge items, clinical trial material and named patient drugs/special products, unless specifically authorised by the Chief Pharmacist.
- j) purchase of all IT equipment must be approved by the Director responsible for IM&T.
- k) purchase of all equipment needing to comply with Health and Safety requirements, must be approved by the Moving and Handling Adviser.

- l) purchase of electrical equipment and battery operated equipment must be approved by the EBME department.
- m) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- n) changes to the list of employees and officers authorised to certify invoices are notified to the Chief Finance Officer;
- o) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;
- p) petty cash records are maintained in a form as determined by the Chief Finance Officer.
- q) all invoices are authorised and goods received documentation is provided in a timely manner, in order to facilitate prompt settlement of supplier accounts.

11.2.7 The Accountable Officer and Chief Finance Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within Concode and Estatecode. The technical audit of these contracts shall be the responsibility of the relevant Director.

11.3 **Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with SO 9.1)**

11.3.1 Payments to local authorities and voluntary organisations made under the powers of sections 75, 76 and 256 of the NHS Act 2006 **shall** comply with procedures laid down by the Chief Finance Officer which shall be in accordance with these Acts. (See overlap with SO 9.1)

12. **EXTERNAL BORROWING**

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

12.1.2 The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Accountable Officer, Chief Executive and the Chief Finance Officer.

12.1.3 The Chief Finance Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.

12.1.4 The Chief Finance Officer shall ensure a suitable Cash Management and Treasury Policy is in place at the Trust.

12.1.5 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the Department of Health and Social Care.

12.1.6 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Accountable Officer or the Chief Finance Officer. The Board must be made aware of all short term borrowings at the next Board meeting.

12.1.7 All long-term borrowing must be consistent with the plans outlined in the current Business Plan and be approved by the Trust Board.

12.2 Investments

12.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.

12.2.2 The Chief Finance Officer is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

12.2.3 The Chief Finance Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

13. FINANCIAL FRAMEWORK

The Chief Finance Officer should ensure that members of the Board are aware of the Financial Framework. This document contains directions which the Trust must follow. It also contains directions to the NHS Trust Development Authority regarding resource and capital allocation and funding to Trust's. The Chief Finance Officer should also ensure that the direction and guidance in the framework is followed by the Trust.

14. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

14.1 Capital Investment

14.1.1 The Accountable Officer:

- a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

14.1.2 For every capital expenditure proposal the Accountable Officer/Chief Finance Officer shall ensure:

- a) that a business case (in line with the guidance contained within the Capital Investment Manual) is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (iii) appropriate project management and control arrangements;

- b) that the Chief Finance Officer has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Trust personnel and external agencies in the process.

14.1.3 For capital schemes where the contracts stipulate stage payments, the Accountable Officer will issue procedures for their management, incorporating the recommendations of Estatecode.

14.1.4 The Chief Finance Officer shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance.

14.1.5 The Chief Finance Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

14.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Accountable Officer shall issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure;
- b) authority to proceed to tender (see overlap with SFI 7.7);
- c) approval to accept a successful tender (see overlap with SFI 7.7).

The Accountable Officer will issue a scheme of delegation for capital investment management in accordance with Estatecode guidance and the Trust's Standing Orders.

14.1.7 The Chief Finance Officer shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes as notified to the Trust by the Department of Health and Social Care / the National Trust Development Authority.

14.2 Private Finance (see overlap with SFI 7.11)

14.2.1 The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

- a) The Chief Finance Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- b) Where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health and Social Care or in line with any current guidelines.
- c) The proposal must be specifically agreed by the Board.

14.3 Asset Registers

14.3.1 The Accountable Officer is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance 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.

- 14.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Capital Accounting Manual* as issued by the Department of Health and Social Care.
- 14.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - c) lease agreements in respect of assets held under a finance lease and capitalised.
- 14.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 14.3.5 The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 14.3.6 The value of each asset shall be indexed or valued by an independent external valuer to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the Department of Health and Social Care.
- 14.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the Department of Health and Social Care.
- 14.3.8 The Chief Finance Officer of the Trust shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the Department of Health and Social Care.

14.4 Security of Assets

- 14.4.1 The overall control of fixed assets is the responsibility of the Accountable Officer.
- 14.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Finance Officer. This procedure shall make provision for:
- a) recording managerial responsibility for each asset;
 - b) identification of additions and disposals;
 - c) identification of all repairs and maintenance expenses;
 - d) physical security of assets;
 - e) periodic verification of the existence of, condition of, and title to, assets recorded;
 - f) identification and reporting of all costs associated with the retention of an asset;
 - g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 14.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Finance Officer.

- 14.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 14.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 14.4.6 Where practical, assets should be marked as Trust property.

14.5 Leasing and Purchases by Deferred Payment

- 14.5.1 The permission of the Chief Finance Officer must be obtained in advance where goods or services are to be obtained on deferred payment terms (including hire purchase, leasing, extended credit) involving either the delay of part of the payment into a future financial year or the incurring of additional charges beyond the cash price of the goods or services.
- 14.5.2 The Chief Finance Officer shall establish procedures to ensure value for money is properly assessed in any such deferred payment proposal.

15. STORES AND RECEIPT OF GOODS

15.1 General position

- 15.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- a) kept to a minimum;
 - b) subjected to annual stock take;
 - c) valued at the lower of cost and net realisable value.

15.2 Control of Stores, Stocktaking, condemnations and disposal

- 15.2.1 Subject to the responsibility of the Chief Finance Officer for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Accountable Officer. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Finance Officer. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 15.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 15.2.3 The Chief Finance Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 15.2.4 Stocktaking arrangements shall be agreed with the Chief Finance Officer and there shall be a physical check covering all items in store at least once a year.

- 15.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Finance Officer.
- 15.2.6 The designated Manager shall be responsible for a system approved by the Chief Finance Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Chief Finance Officer any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI 16 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

15.3 Goods supplied by NHS Supply Chain

- 15.3.1 For goods supplied via the NHS Supply Chain central warehouses, the Accountable Officer shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Chief Finance Officer who shall satisfy himself that the goods have been received before accepting the recharge. Any unresolved discrepancy shall be notified to the Chief Finance Officer who shall ensure that any discrepancy is reflected in the settlement of any recharge.

16. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

16.1 Disposals and Condemnations

16.1.1 Procedures

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

- 16.1.2 When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.

- 16.1.3 All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer and in accordance with the Trust's Condemning and Disposal Policy;
- b) recorded by the Condemning Officer in a form approved by the Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Finance Officer.

- 16.1.4 The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Finance Officer who will take the appropriate action.

16.2 Losses and Special Payments

16.2.1 Procedures

The Chief Finance Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

16.2.2 Any employee or officer discovering or suspecting a loss of any kind, which may be attributed to fraud or bribery, must immediately report the incident to either the Chief Finance Officer, relevant LCFS or the NHS CFA. Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police and the LSMS if theft or arson is involved. In cases of fraud and bribery, the Chief Finance Officer must inform the relevant LCFS and NHSCFA in accordance with NHS requirements to meet Government Functional Standard 013: Counter Fraud.

The Chief Finance Officer must also notify the External Auditor of all frauds.

16.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify:

- a) the Board,
- b) the External Auditor; and
- c) the LSMS.

16.2.4 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

16.2.5 The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

16.2.6 The Chief Finance Officer shall take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidation.

16.2.7 For any loss, the Chief Finance Officer should consider whether any insurance claim can be made.

16.2.8 The Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.

16.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

16.2.10 All losses and special payments must be reported to the Audit Committee at each meeting.

17. FINANCIAL SYSTEMS RELATED INFORMATION TECHNOLOGY

17.1 Responsibilities and duties of the Chief Finance Officer

17.1.1 The Chief Finance Officer, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's finance related data, programs and computer hardware for which he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018; (Data Protection Act compliance ultimately lies with the Accountable Officer of the Trust).

- b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

17.1.2 The Chief Finance Officer shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

17.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

17.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish to sponsor jointly), all responsible directors and employees will send to the Chief Finance Officer:

- a) details of the outline design of the system;
- b) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

17.2.2 The Senior Information Risk Owner (SIRO) is responsible for governance of information risk and data quality and will act as the advocate for information risk on the Trust Board. The SIRO will establish procedures and protocols to ensure that the Trust meets the requirements of the Data Protection Act and Freedom of Information Act. The SIRO shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

17.3 Contracts for computer services with other health bodies or outside agencies

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

Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

17.4 Risk Assessment

The Chief Finance Officer shall ensure that risks to the Trust arising from the use of IT in areas of finance, payroll, and procurement are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery and business continuity plans.

17.5 Requirements for computer systems which have an impact on corporate financial systems

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

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

18. PATIENTS' PROPERTY

18.1 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.

18.2 The Accountable Officer is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

- Notices and information booklets; (**notices are subject to sensitivity guidance**)
- Hospital admission documentation and property records;
- The oral advice of administrative and nursing staff responsible for admissions,

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

18.3 The Chief Finance Officer must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

18.4 Where Department of Health and Social Care instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Chief Finance Officer.

18.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

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

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

19. CHARITABLE FUNDS

19.1 Corporate Trustee

- 1) SO 2.8 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 4.8.3 that defines the need for compliance with Charities Commission latest guidance and best practice.
- 2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

The Chief Finance Officer shall ensure that each charitable trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements. The body corporate is the Trustee.

19.2 Accountability to Charity Commission and Secretary of State for Health and Social Care

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

19.3 Applicability of Standing Financial Instructions to funds held on Trust

- 1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI 7.17).
- 2) The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

20. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (SEE OVERLAP WITH SO 6 AND SFI 11.2.6 (D))

The Chief Finance Officer shall ensure that all staff are made aware of the Trust's policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' Staff'; (the guidance contained within this document referring to the 'Prevention of Corruption Acts 1906 and 1916' has been superseded by the 'Bribery Act 2010'), the Code of Conduct for NHS Managers 2002; and the Code of Practice for the Pharmaceutical Industry Second 2012 Edition relating to hospitality / gifts from

pharmaceutical/external industry and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO 6).

21. RETENTION OF RECORDS

- 21.1 The Accountable Officer shall be responsible for maintaining archives for all records required to be retained in accordance with NHSX Records Management Code of Practice 2020.
- 21.2 The records held in archives shall be capable of retrieval by authorised persons.
- 21.3 Records held in accordance with NHS Code of Practice - Records Management 2006 (Published April 2006, and updated in January 2009) shall only be destroyed at the express instigation of the Accountable Officer. Details shall be maintained of records so destroyed.

22. RISK MANAGEMENT AND INSURANCE

22.1 Programme of Risk Management

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

The programme of risk management shall include:

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

The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement within the Annual Report and Accounts as required by current Department of Health guidance.

22.2 Insurance: Risk Pooling Schemes administered by NHSLA

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

22.3 Insurance arrangements with commercial insurers

22.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

- 1) Trusts may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
- 2) where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
- 3) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Resolution. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Chief Finance Officer should consult the Department of Health and Social Care.

22.4 Arrangements to be followed by the Board in agreeing Insurance cover

- 1) Where the Board decides to use the risk pooling schemes administered by the NHS Resolution the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.
- 2) Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- 3) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Chief Finance Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Scheme of Delegation

The Board of Directors is accountable to the Secretary of State for Health and Social Care:

- To exercise the functions of the Trust effectively, efficiently and economically.
- To comply with the requirements imposed on it under the Health and Social Care (Community Health and Standards) Act 2003 and any other enactment.
- To ensure the existence of appropriate arrangements to provide representative and comprehensive governance in accordance with the Act and to maintain the organisational capacity necessary to deliver mandatory services.
- To comply with the principles of best practice, any relevant code of practice and with any guidance issued by the Secretary of State for Health and Social Care.
- To comply with the requirements of the Care Quality Commission and arrangements for the purpose of monitoring and improving the quality of health care
- To protect the property needed for the purposes of providing mandatory goods and services

The Trust is able to decide how best to meet these obligations and details its intentions by setting and implementing an Annual Plan, to include:

Clinical Service volumes
Quality/ Governance and service standards
Financial Budgets and targets
Workforce Plans
Estate management/ asset utilisation

The responsibilities, authority and decision making powers of committees and individuals for Trust Functions is as follows:

	Delegated Responsibilities	Delegated Officer
1	Delegation of the management of budgets and approval to spend funds - Revenue	
1.1	Budgetary control	
1.1.1	Management of individual budgets if included within the Trust approved Plan and agreed at the commencement of the financial year. Including cost improvement programmes. <ul style="list-style-type: none"> • At individual budget level • At service level • At division / corporate department level 	<ul style="list-style-type: none"> • Budget holder • Service manager • Director / DDO/ Clinical Director
1.1.2	Budget virements <ul style="list-style-type: none"> • Up to £50,000 • Above £50,000 	<ul style="list-style-type: none"> • Budget holder • Chief Finance Officer
1.2	Engagement of staff - Permanent	
1.2.1	Authority to fill posts within establishment with permanent staff (Including renewal of FTC)	Executive Director (via Vacancy Control Panel)
1.3	Engagement of staff – Temporary	
1.3.1	Non-medical interim / agency / consultancy staff, aggregate commitment in any 1 year > £75,000	Executive Director
1.3.2	New agency assignments – within agency cap and IR35 <ul style="list-style-type: none"> • Agency cap and/or framework breaches • Assignments deemed outside IR35 • Non-medical interim / agency / consultancy staff where daily rate > £700 per day (including on costs) 	Vacancy control panel <ul style="list-style-type: none"> • Additional executive director sign off • Reviewed and approved by Chief Finance Officer • All of the above plus Accountable Officer sign off Medical Director, Chief Nurse or Chief Operating Officer

1.3.3	<p>Booking clinical bank or agency staff within NHSI price cap (notwithstanding 1.4.1 below)</p> <ul style="list-style-type: none"> • Medical • Nursing 	<ul style="list-style-type: none"> • Accountable Officer and Medical Director • Chief Nurse and HR Director
1.3.4	<p>Booking clinical agency staff at > £100 hour</p>	
1.3.5	<p>Honorary contracts Medical staff All others</p> <p>All temporary staff must be booked in accordance with the Trust's Temporary Staffing Policy</p>	
1.4	<p>Authorisation of expenditure</p>	
1.4.1	<p>Authorisation of expenditure within budget</p> <ul style="list-style-type: none"> • Up to £3,000 • Up to £10,000 • Up to £20,000 • Up to £50,000 • Above £50,000 	<ul style="list-style-type: none"> • Budget holder • Head of Department • Operational Director / Deputy Director / DDO / Clinical Director • Executive Director • Accountable Officer / Chief Finance Officer
1.4.2	<p>Authorisation of expenditure outside budget Overspends – or unexpected cost pressures Up to £100,000 full year effect (gross) Above £100,000 full year effect (gross)</p>	<p>Chief Finance Officer Finance, Performance and Investment Committee</p>
1.4.3	<p>Engagement of Trust solicitors</p>	<p>Executive Director</p>
1.4.4	<p>Petty cash in excess of £50 / reimbursement in cash of patient monies in excess of £100</p>	<p>Chief Finance Officer or nominated officer</p>
1.4.5	<p>Procurement card purchases</p>	<p>Chief Finance Officer or nominated officer</p>
1.4.6	<p>Provision of hospitality</p>	<p>Chief Finance Officer / Chief Operating Officer</p>

1.5	Procurement and tendering	
1.5.1	Requirements to raise a Requisition / Purchase Order <ul style="list-style-type: none"> • Up to £5,000 • Above £5,000 and up to £25,000 • Above £25,000 but below EU limit • Above EU limit (check current limit with Procurement) <p>Advice should be sought from the Procurement Department. Note that the EU limit applies to the total value of the contract over its term.</p>	<ul style="list-style-type: none"> • 1 written quotation, authorised within limits set out in 1.4.1 • 3 written quotations, authorised within limits set out in 1.4.1 • Formal competitive tender process to be followed (minimum 3 competitive tenders required). • OJEU advert
1.5.2	Approval to waive competitive tendering process <ul style="list-style-type: none"> • Supplies and services up to the EU limit • ‘Capital Works’ up to separate EU limit • Waivers of minimum number of tenders <p>All tender waivers to be reported to Audit Committee</p>	<ul style="list-style-type: none"> • Chief Finance Officer or Accountable Officer • Chief Finance Officer and Accountable Officer and notify Finance, Performance and Planning Committee • Chief Finance Officer
1.5.3	Amendments to Purchase Order value Where invoiced amount for goods / services is the lower of 5% or £50 more than the total order value	Budget holder
1.5.4	Opening of tenders <ul style="list-style-type: none"> • Up to £250,000 based on pre tender estimate • Above £250,000 	<ul style="list-style-type: none"> • 2 of Operational Director / Deputy Director / Divisional Director of Operations • Company Secretary (or nominated deputy) and one Executive Director

<p>1.5.5</p> <p>1.5.6</p> <p>1.5.7</p>	<p>Acceptance of tenders Up to £100,000</p> <ul style="list-style-type: none"> • When lowest cost • When not lowest cost <p>Above £100,000 and below £1,000,000</p> <ul style="list-style-type: none"> • When lowest cost • When not lowest cost <p>£1,000,000-£1,500,000</p> <ul style="list-style-type: none"> • When lowest cost • When not lowest cost • Above £1,500,000 <p>Acceptance of late tenders</p> <p>Contract signature</p>	<ul style="list-style-type: none"> • Procuring Executive Director • Procuring Executive Director and Chief Finance Officer <ul style="list-style-type: none"> • Chief Finance Officer or Accountable Officer • Chief Finance Officer AND Accountable Officer AND report to Finance, Performance and Planning Committee <ul style="list-style-type: none"> • Senior Leadership Group and report to Finance, Performance and Planning Committee • Trust Board <ul style="list-style-type: none"> • Trust Board <p>Accountable Officer and Chief Finance Officer</p> <p>Executive Director</p>
<p>2</p> <p>2.1</p> <p>2.2</p>	<p>Annual capital programme and capital expenditure approvals</p> <p>Approval of capital programme / increases in capital budget</p> <p>Variation to budget spend of each capital scheme by 10%, subject to the capital programme remaining within budget</p> <p>Variation to budget spend of each capital scheme by 20%, subject to the capital programme remaining within budget</p>	<p>Finance, Performance and Planning Committee</p> <p>Chief Finance Officer</p> <p>Capital Working Group</p>

<p>3</p> <p>3.1</p> <p>3.2</p>	<p>Business planning / approval of Business Cases (quality investments and service developments) Capital and revenue elements business cases must follow the approval route as set out in the ‘Investment Case Governance’ guidance</p> <p>Release of revenue funding from reserves (resulting from business planning) where the contractual revenue commitment is:</p> <ul style="list-style-type: none"> • Less than £100k • £100k - £500k • £500k - £1m • >£1m <p>Capital schemes</p> <ul style="list-style-type: none"> • Less than £500,000 • £500,000 - £1,000,000 • Above £1,000,000 	<ul style="list-style-type: none"> • Division plus Chief Finance Officer sign off • Improvement Board or its successor on behalf of Senior Leadership Group • Finance, Performance and Performance Committee • Trust Board • Capital Working Group • Finance, Performance and Performance Committee • Trust Board
<p>4</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p>	<p>Personnel and Pay</p> <p>Authority to complete starter / change / termination forms affecting pay</p> <p>Authority to authorise overtime / travel and subsistence claims</p> <p>Authority to authorise exceptional expenses up to £5,000</p> <p>Authority to agree local pay variations</p>	<p>Budget holder / HR Advisor</p> <p>Authorised signatory</p> <p>Executive Director and Accountable Officer</p> <p>Executive Director, HR Director and Accountable Officer</p>

<p>4.5</p> <p>4.6</p> <p>4.7</p> <p>4.8</p>	<p>Approval of Leave</p> <ul style="list-style-type: none"> • Annual leave in year • Annual leave c/f (up to 5 days max) • Compassionate leave up to 5 days • Compassionate leave > 5 days • Carers leave (up to 5 days) • Unpaid leave • Medical staff leave of absence (paid and unpaid) • Time off in lieu • Maternity leave • Paternity leave <p>Sick leave Return to work part time to assist recovery</p> <p>Removal expenses when taking up new appointments</p> <ul style="list-style-type: none"> • Up to £8,000 • Above £8,000 (tax implications to be noted) <p>Dismissal</p>	<ul style="list-style-type: none"> • Line manager • HR Director • Line manager – within policy • DDO / Executive Director – within policy • Line manager / DDO • DDO / Executive Director (with HR) • Clinical Director / Medical Director / Accountable Officer • Line manager • In line with policy • In line with policy <p>DDO / Executive Director plus HR</p> <ul style="list-style-type: none"> • Executive Director / HR Director • Medical Director / HR Director and Accountable Officer <p>Line manager / DDO / HR in line with policy</p>
<p>5</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p>	<p>Losses, write off and compensation</p> <p>Losses and cash due to theft, fraud, overpayments and others</p> <p>Fruitless payments up to £200,000</p> <p>Write off debtors, bad debts and claims abandoned:</p> <ul style="list-style-type: none"> • Up to £1,000 • £1,001 - £10,000 • £10,001 - £20,000 • Above £20,000 <p>Damage to / loss of property / equipment up to £50,000</p> <p>Compensation payments made under legal obligation</p>	<p>Accountable Officer and Chief Finance Officer</p> <p>Accountable Officer and Chief Finance Officer</p> <ul style="list-style-type: none"> • Operational / Deputy Director of Finance • Chief Finance Officer • Accountable Officer • Audit Committee <p>Accountable Officer</p> <p>Accountable Officer and Chief Finance Officer</p>

5.6	Extra contractual payments made to contractors	Accountable Officer and Chief Finance Officer
5.7	Ex gratia payments: <ul style="list-style-type: none"> • Less than £100 • £100 - £500 • Above £500 	<ul style="list-style-type: none"> • Service Manager / Head of Department • Clinical or Executive Director • Accountable Officer and Chief Finance Officer
5.8	Claims net of recovery from NHS Resolution: <ul style="list-style-type: none"> • Up to £100,000 • £100,000 - £500,000 • Above £500,000 	<ul style="list-style-type: none"> • Accountable Officer and Chief Finance Officer • As above and Executive Board • As above and Audit Committee or Trust Board
5.9	Structured Settlements	Accountable Officer and Chief Finance Officer
5.10	Authorisation of early retirement, redundancy and other termination payments to staff: <ul style="list-style-type: none"> • Below £60,000 • £60,000 and above, plus all staff banded 8c and above • Above £100,000 <p>All losses to be reported to the Audit Committee at each meeting</p>	<ul style="list-style-type: none"> • Chief Finance Officer • Remuneration Committee • In line with national guidance
6	Operation of delegated financial matters <ul style="list-style-type: none"> • Establishment and management of bank accounts • Payroll • Purchase ledger / creditor payments • Petty cash • Debtors • Treasury management 	Chief Finance Officer or Deputy
7	Income systems <p>System design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include holding or collecting cash</p>	Chief Finance Officer or Deputy

<p>8</p>	<p>Funding contracts and Service Level Agreements</p> <p>Approval / signature of contracts:</p> <ul style="list-style-type: none"> • Below £100,000 • £100,000 to £5,000,000 • Above £5,000,000 	<ul style="list-style-type: none"> • Executive Director • Chief Finance Officer • Accountable Officer
<p>9</p>	<p>Management and control of stock</p> <ul style="list-style-type: none"> • Theatres • Pharmacy • Estates • Other stocks 	<ul style="list-style-type: none"> • Chief Operating Officer / DDO / Clinical Director • Chief Operating Officer / Head of Pharmacy • Director of Strategy / Head of Estates • Chief Operating Officer / DDO / Clinical Director
<p>10</p>	<p>Arrangements for the management of land, buildings and other assets belonging to or leased by the Trust</p> <ul style="list-style-type: none"> • Physical management and maintenance of assets • Land and buildings • Equipment • Asset register and capital charges 	<ul style="list-style-type: none"> • Director of Strategy / Head of Estates • Director of Strategy / Head of Estates • Director of Strategy / Head of Estates • Chief Finance Officer
<p>11</p>	<p>Charitable funds</p> <p>Approval of expenditure:</p> <ul style="list-style-type: none"> • Up to £2,000 per request • £2,001 - £10,000 • Above £10,000 	<ul style="list-style-type: none"> • Any 2 of Executive Director and Operational / Deputy Director of Finance • Any 2 Executive Director • Charitable Funds Management Committee