

Policy Title: Reservation and Delegation of Powers, and Standing Financial Instructions (CPFT)

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Accountable Director	Director of Finance
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1 SCOPE

This policy is to be used to by all staff as it sets out the organisational and financial governance within Cumbria Partnership NHS Foundation Trust.

2 STATEMENT OF INTENT

To ensure that financial procedures are followed in line with national guidelines and financial transactions are carried out in accordance with law and Government Policy.

3 DEFINITIONS

See body of Policy

4 DUTIES

4.1 Executive Director Responsibilities

The Director of Finance, Digital & Estates is the accountable Director for this policy. Directors are accountable for the quality and Equality Impact Assessment (EIA) status of all approved documents within their portfolio of responsibilities.

4.2 Approving Committee Responsibilities:

The Clinical Management Group can approve this policy, but it must be submitted to the Audit & Risk Committee for formal ratification.

The Audit & Risk Committee, a sub-committee of the Board of Directors, are responsible for the ratification of this policy.

4.3 Policy Coordinator

has management responsibility for:

- maintaining the policy register (including current and archived policies);
- quality assuring documents to check they have been developed appropriately prior to submission to the Audit & Risk Committee.
- uploading approved documents onto the Intranet
- maintaining master versions of all documents
- archiving superseded versions of policies
- notifying managers via Partnership News of new and updated documents;
- providing a monthly report outlining any changes/ updates to the Clinical Management Group, and Audit & Risk Committee;
- archiving all previous versions on SharePoint
- reminding policy authors and the accountable director when a procedural document is due for review.

4.4 The Author is responsible for:

- producing or reviewing this Policy in line with the Document Development Policy;

- ensuring appropriate consultation with relevant individuals, groups, users and committees occurs;
- carrying out an Equality Impact Assessment (EIA);
- ensuring that the resulting policy is signed off by the relevant director;
- developing an appropriate implementation plan, which may include working with the Education and Learning Team to identify any training or learning needed to support the practice outlined within the document;
- submitting documents to the Clinical Management Group for Approval along with the relevant submission form;
- working with staff and managers to ensure clear communication of the key points within the document;
- working with staff and managers to ensure that the practice is implemented effectively;
- working with staff, managers and relevant committees to monitor the practice;
- when review is due, determining whether changes are necessary;
- when necessary, to update the document.

4.5 The Equality & Diversity Lead

will review submitted approved documents and their Equality Impact Assessments within two months of policies approval. If approved, they will send them the Policy Co-ordinator for uploading to the intranet. If they disagree with the assessment, they will refer it back to the author, informing the Policy Coordinator. Any disagreements may be referred to the Clinical Management Group for discussion and resolution.

4.6 Managers/Team Leaders/Heads of Department

are responsible for ensuring that:

- they and their staff (including new staff) are aware of Trust's procedural documents – both new and updated;
- they and their staff understand what is required of them;
- they and their staff attend training or learning events necessary for implementation of practice associated with procedural documents ;
- they and their staff undertake their role in line with approved procedural documents.

4.7 All Staff

are responsible for ensuring that they:

- are familiar with procedural documents;
- know where to locate them, i.e. Intranet;
- keep up to date when any changes are made;
- attend training or learning events as indicated in the implementation plan or Trust's Corporate Training Needs Analysis

Procedural documents are designed to instruct and support all staff in delivering high quality services. Compliance is required and always encouraged. If willful and

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negligent deviations in practice occur which cause harm, they will be investigated and may result in disciplinary procedures being implemented.

5 RESERVATION AND DELEGATION OF POWERS

1. SCHEDULE OF DELEGATED MATTERS

DELEGATED MATTERS	TABLE REFERENCE
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2. INTRODUCTION

The Board of Directors may delegate any of its powers to a committee or sub-committee of the Board or to an executive Director where not otherwise required to be reserved to the Board. A formal schedule of matters specifically reserved to the Foundation Trust Board is provided at Table A.

The purpose of this document is to detail how the powers are reserved to the Board of Directors, whilst at the same time identifying those matters which have been delegated and to whom. However, the Board of Directors remains accountable for all of its functions; even those delegated to committees, sub committees, 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.

2.1 Role of the Chief Executive

2.1.1 All powers of the Foundation Trust which have not been retained as reserved by the Board of Directors or delegated to a committee or sub-committee or other nominee shall be exercised on behalf of the Board of Directors by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions he shall perform personally and which functions have been delegated and to whom.

All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise.

2.2 Caution over the Use of Delegated Powers

2.2.1 Powers are delegated to committees, sub-committees, Directors and officers on the understanding that they would not exercise delegated powers in a manner which in their judgement was likely to be a cause for public concern.

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

2.3.1 In the absence of a Director or officer to whom powers have been delegated those powers shall be exercised by that Director or officer's superior unless alternative arrangements have been approved by the Board of Directors. If the Chief Executive is absent powers delegated to him/her may be exercised by the nominated officer acting in his/her absence after taking appropriate advice from the Director of Finance, Digital & Estates.

2.3.2 If it becomes clear to the Board of Directors that the Accounting Officer is incapacitated and will be unable to discharge their responsibilities over a period of four weeks or more, the Board of Directors shall appoint an acting Accounting Officer, usually the Director of Finance, Digital & Estates, pending the Accounting Officer's return. The same applies if, exceptionally, the Accounting

Officer plans an absence of more than four weeks during which they cannot be contacted.

3. RESERVATION OF POWERS TO THE BOARD OF DIRECTORS

3.1 Accountability

3.1.1 The Trust's Constitution and the Monitor Code of Governance both require that there should be a formal schedule of matters specifically reserved for decision by the Board of Directors

3.1.2 Board members share corporate responsibility for all decisions of the Board. These reserved matters are set out in paragraphs 3.2 to 3.10 below:

3.2 Duties

3.2.1 It is the Board's duty to:

- ensure that the Board of Directors has the necessary capacity and capability to meet the requirements of the Trust's terms of authorisation
- ensure compliance with the Trust's terms of authorisation, its Constitution, mandatory guidance issued by Monitor, relevant statutory requirements and contractual obligations
- manage the business of the Foundation Trust
- be clear what decisions and information are appropriate to the Board of Directors and draw up Standing Orders, Standing Financial Instructions and a schedule of decisions reserved to the Board of Directors to reflect these;
- ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior managers for the main programmes of action and for performance against programmes to be monitored and senior managers held to account;
- establish performance and quality measures that maintain the effective use of resources and provide value for money;
- specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;
- establish Audit & Risk and Remuneration Committees and other committees and sub-committees on the basis of formally agreed terms of reference that set out the membership of the relevant committee, the limit to their powers, and the arrangements for reporting back to the main Board.
- to present to members the annual accounts, any report of the auditor, the annual report and any forward planning information for the next financial year

3.3 General Enabling Provision

3.3.1 The Board of Directors in a duly convened meeting may determine any matter it wishes, for which it has authority, within its statutory powers.

3.3.2 The Board of Directors remains accountable for all of its functions, even those delegated to individual committees, sub-committees, directors or officers and will therefore require information about the exercise of delegated functions to enable it to maintain a monitoring role.

3.3.3 The following sections identify matters where decisions are reserved to the Board of Directors.

3.4 Conduct of Business and Policy Determination

- Approval of changes to the Trust's Constitution for proposal to Monitor and the Governors' Council
- Approval of the Code of Conduct for the Board of Directors
- Approval of an annual cycle of business arrangements, meeting dates and venues for Board of Directors meetings
- Amendment of SOs (with Monitor approval if necessary), the schedule of matters reserved to the Board of Directors, and SFIs for the regulation of its proceedings and business
- Suspension of Standing Orders
- Ratification of any urgent decisions taken by the Chair and Chief Executive after consulting with at least 2 Non-Executive Directors at the next formal meeting of the Board of Directors in accordance with the Standing Orders.
- Approval of a scheme of delegation of powers from the Board of Directors to committees, sub-committees officers, other members of staff or the Chief Executive
- Requiring and receiving the declaration of Board members' interests which may conflict with those of the Foundation Trust and determining the extent to which Directors are independent in character and judgement or may remain involved with certain matters under consideration.
- Requiring and receiving the declaration of officers' interests which may conflict with those of the Foundation Trust.
- Approval of Foundation Trust Policies
- Adoption of the organisational structures, processes and procedures to discharge the business of the Foundation Trust and agreement of any modifications
- To receive reports from committees and sub-committees including those which the Foundation Trust is required by the National Health Service Act 2006 or other regulation to establish and to take appropriate action thereon.
- To confirm the recommendations of the Foundation Trust's committees including sub-committees where the committees do not have executive powers.

- Approval of arrangements relating to the discharge of the Foundation Trust's responsibilities as a corporate trustee for funds held on trust.
- To establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board of Directors.
- Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with Standing Orders.
- Disciplining Board members or employees who are in breach of statutory requirements or Standing Orders.

3.5 Appointments / Dismissal

- Appointment and dismissal of committees (and individual members) that are directly accountable to the Board of Directors excluding the Audit & Risk Committee and the Remuneration Committee. This does not imply that individual members of all Committees can be dismissed.
- Confirm the appointment of members of any Board of Director's Committee of the Foundation Trust as representatives on outside bodies.
- Approve the appointment of an Executive Director as a Non-Executive Director of another organisation

3.6 Strategy and Plans and Budgets

- Definition of the strategic goals and objectives of the Foundation Trust.
- Approval of the Foundation Trust's annual plan following consultation with the Governors' Council
- Approve arrangements for ensuring quality and governance systems in services provided by the Foundation Trust, having regard to any guidance issued by the Regulator or other bodies
- Approve Preliminary and Detailed Business Cases for Investment in accordance with Trust Policy
- Approve the annual budget
- Approve Schemes for acquisition, disposal or change of use of land and/or buildings
- Approve individual contracts, including purchase orders of a capital or revenue nature where the value is at a level reserved to decision by the Board of Directors in accordance with delegated limits
- Approve action on litigation against or on behalf of the Foundation Trust where the likely financial impact is at a level reserved to decision by the Board of Directors in accordance with delegated limits, or contentious or likely to lead to extreme adverse publicity, excluding claims covered by the NHS risk pooling schemes
- Review and approve corporate risk management and insurance arrangements

- Approve the opening of bank accounts.

3.7 Audit Arrangements

- Receive the annual management letter from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit & Risk Committee.
- Receive an annual report from the Internal Auditor and approve the recommendations, where appropriate, of the Audit & Risk Committee.

3.8 Annual Reports and Accounts

- To cause the Trust to keep accounts in such form as Monitor may require
- Approve the Foundation Trust's Annual Report and Annual Accounts prior to them being laid before Parliament, and presentation to the Governors' Council at a Members' Meeting.
- Approve the Annual Report and Accounts for funds held on trust (Charitable Trust Funds).

3.9 Monitoring

- Review the performance of the Trust in regard to effectiveness, efficiency and economy against regulatory requirements and approved plans and objectives
- Receive such reports as the Board of Directors sees fit from committees in respect of their exercise of delegated powers
- Receive assurance reports on performance against agreed performance indicators from Executive Directors including financial performance against budget and Annual Plan / service development strategy.
- Continuous appraisal of the affairs of the Foundation Trust by means of the provision of such reports as the Board of Directors may require from directors, committees, and officers of the Foundation Trust

4 DELEGATION OF POWERS

4.1 Delegation to Committees

- 4.1.1 The Board of Directors may determine that certain of its powers shall be exercised by Committees established by it. The composition and terms of reference of such committees shall be that determined by the Board of Directors. The Board of Directors shall determine the reporting requirements in respect of these committees. In accordance with the SOs committees may not delegate

executive powers to sub-committees unless expressly authorised by the Board of Directors.

4.1.2 The Board of Directors has delegated certain powers and responsibilities to the following committees:

- Audit & Risk Committee
- Remuneration Committee
- Quality & Safety Committee
- Finance, Investment & Performance Committee
- Charitable Funds Committee
- North Cumbria System Leadership Board

4.1.3 The purpose and function of each of these committees has been approved by the Board of Directors, and is documented in their Terms of Reference. Copies of the Terms of Reference are held by the Trust's Executive Administration function.

4.2 Responsibilities of the Accounting Officer

The following responsibilities are defined through the Foundation Trust Accounting Officer Memorandum:

4.2.1 The Accounting Officer has responsibility for the overall organisation, management and staffing of the Foundation Trust and for its procedures in financial and other matters. The Accounting Officer must ensure that:

- There is a high standard of financial management in the Foundation Trust as a whole;
- Financial systems and procedures promote efficient and economical conduct of business and safeguard financial propriety and regularity throughout the Foundation Trust; and
- Financial considerations are fully taken into account in decisions on Foundation Trust policy proposals.

4.2.2 The specific responsibilities of a Foundation Trust Accounting Officer:

- The propriety and regularity of the public finances for which they are answerable;
- The keeping of proper accounts;
- Prudent and economical administration;
- The avoidance of waste and extravagance; and
- The efficient and effective use of all the resources in their charge.

4.2.3 The Accounting Officer must:

- Personally sign the accounts and, in doing so accept personal responsibility for ensuring their proper form and content as prescribed by Monitor in accordance with the Act;
- Comply with the financial requirements of the Terms of Authorisation.
- Ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management, as well as in the form prescribed for published accounts.
- Ensure that the resources for which they are responsible as Accounting Officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official.
- Ensure that assets for which they are responsible such as land, buildings and other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate.
- Ensure that any protected property (or interest in) is not disposed of without the consent of Monitor.
- Ensure that conflicts of interest are avoided, whether in the proceedings of the Board of Directors, Governors' Council or in the actions or advice of the Foundation Trust staff, including themselves.
- Ensure that, in the consideration of policy proposals relating to the expenditure for which they are responsible as Accounting Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Board of Directors.

4.2.4 The Accounting Officer should ensure that effective management systems appropriate for the achievement of the Foundation Trust's objectives, including financial monitoring and control systems, have been established. An Accounting Officer should ensure that managers at all levels:

- Have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives.
- Are assigned well defined responsibilities for making the best use of resources.
- Have the information (particularly about cost), training and access to the expert advice which they need to exercise their responsibilities effectively.

5. SCHEME OF DELEGATION TO OFFICERS

- 5.1 Standing Orders and Standing Financial Instructions set out in some detail the financial responsibilities of the Chief Executive, the Director of Finance, Digital & Estates and other directors. These responsibilities are summarised below.
- 5.2 Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The 'Delegated to' authority is in accordance with the: Standing Orders and Standing Financial Instructions.

Table A - Delegated Authority

TABLE A – Delegated Authority

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Standing Orders/Standing Financial Instructions/Constitution					
Final authority in interpretation of Standing Orders	Chair				
Notify Directors and employees of their responsibilities within the Standing Orders and Standing Financial Instructions and ensuring that they understand the responsibilities	Chief Executive				
Responsibility for security of the Foundation Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming with Standing Orders, Financial instructions and financial procedures	All staff				
Suspension of Standing Orders	Board of Directors				
Review suspension of Standing Orders	Audit & Risk Committee				
Variation or amendment to Standing Orders	Board of Directors				
Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (<u>Constitution and terms of reference of sub committees may be approved by the Chief Executive.</u>)	Board of Directors				
Emergency powers relating to the powers and authorisations retained by the Board of Directors.	Chair and Chief Executive with two non-executives				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Disclosure of non-compliance with Standing Orders to the Chief Executive (report to the Board of Directors).	All staff				
Disclosure of non-compliance with SFIs to the Director of Finance, Digital & Estates (report to the Audit & Risk Committee)	All staff				
Advice on interpretation or application of SFIs	Director of Finance, Digital & Estates				
Meetings					
Call meetings of the Foundation Trust	Chair	Constitution			
Chair all Foundation Board of Directors meetings and associated responsibilities	Chair	Constitution			

1. Audit Arrangements

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Ensure an adequate internal and external audit service, for which they are accountable, is provided.	Audit & Risk Committee	SFI 2.2			
Review, appraise and report in accordance with best practice.	Audit & Risk Committee	SFI 2.1			
Provide an independent and objective view on internal control and probity.	Audit & Risk Committee	SFI 2.1			
Ensure cost-effective audit service.	Audit & Risk Committee	SFI 2.1			
Raise the matter at the Board meeting where the Audit & Risk Committee considers there is evidence of ultra vires transactions or improper acts or financial difficulties.	Chair	SFI 2.1.3			
2. Authorisation of Clinical trials					
	Chief Executive or Medical Director				
3. Authorisation of New Drugs					
All new product requests	Medicines Management Committee		Pharmacy Orders	£10,000 and above	Head of Pharmacy, and Chief Executive or Director of Finance, Digital & Estates
				Up to £10,000	Head of Pharmacy
4. Authorisation of Research Projects					
	Chief Executive or Medical Director				
5. Bank and GBS Accounts (Excluding Charitable Fund Accounts)					

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Manage banking arrangements, including provision of banking services, operation of accounts, and preparation of instructions and list of cheque signatories. (Board of Directors approves arrangements).	Director of Finance, Digital & Estates	SFI 5			
6. Capital Investment					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
Programme:					
<ul style="list-style-type: none"> Ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on business plans / Service development Strategy 	Chief Executive	SFI 12.1.1	Capital Orders (Subject to the capital scheme being included on the capital programme issued to the Board, and responsible Executive Director sign off of Capital business case)	[Above £250,000]	Board authorisation required, but order/contract can be signed by Estates, Facilities & Capital Investment Manager, or Deputy Director of Information
<ul style="list-style-type: none"> Responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost. 	Chief Executive	SFI 12.1.1		[Up to £250,000]	Director of Finance, Digital & Estates
<ul style="list-style-type: none"> Ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences. 	Chief Executive	SFI 12.1.1		Up to £100,000	Estates, Facilities & Capital Investment Manager, Head of Procurement, Deputy Director of Information
<ul style="list-style-type: none"> Prepare a business case for each proposal 	Chief Executive	SFI 12.1.2		Up to £50,000	Capital Planning Manager
<ul style="list-style-type: none"> Certify professionally the costs and revenue consequences detailed in the business case for capital investment 	Director of Finance, Digital & Estates	SFI 12.1.2		Up to £5,000	Capital Project Manager; Facilities Manager; Professional Head of Estates, Head of Information, Head of IT
<ul style="list-style-type: none"> Financial monitoring and reporting on all capital scheme 	Director of Finance, Digital & Estates and	SFI 12.1.5			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
expenditure including variations to contract	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> Issue the manager responsible for any capital scheme with specific authority to commit capital, proceed / accept tenders in accordance with the SOs and SFIs 	Chief Executive	SFI 12.1.6			
<ul style="list-style-type: none"> All capital purchasing and professional services within EU regulations 	Director of Finance, Digital & Estates	SFI 12.1.6			
<ul style="list-style-type: none"> Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes. 	Director of Finance, Digital & Estates	SFI 12.1.7	Contract Procedures	Above £50,000	Responsible Executive Director
			Accept or notify contract variations	£20,000 - £50,000	Estates, Facilities & Capital Investment Manager, Deputy Director of Information
				Up to £20,000, or 10% of the project, whichever is lower	Project Manager
<ul style="list-style-type: none"> Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers 	Director of Finance, Digital & Estates	SFI 12.1.7			
<ul style="list-style-type: none"> Maintenance of asset registers (on advice from Director of Finance, Digital & Estates) 	Chief Executive	SFI 12.3.1			
Private Finance: <ul style="list-style-type: none"> Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector. 	Chief Executive & Director of Finance, Digital & Estates	SFIs 10.10 & 12.2			
<ul style="list-style-type: none"> Proposal to use private finance (e.g. PFI, LIFT, etc.) must be specifically agreed by the Board 	Board of Directors	SFIs 10.10 & 12.2			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
of Directors					
Leases (property and equipment)			Granting and termination of leases with annual rent (Board authorisation is required where documents are to be sealed)	£100,000 and above	Chief Executive or Director of Finance, Digital & Estates
<ul style="list-style-type: none"> Granting and termination of leases (in accordance with delegated limits) 	Director of Finance, Digital & Estates and/or Chief Executive			Up to £100,000	Director of Finance, Digital & Estates, or Director of Finance, Digital & Estates
				Up to £50,000	Estates, Facilities & Capital Investment Manager
7. Clinical Audit					
	Director of Quality & Nursing	Clinical Policies			
8. Commercial Sponsorship					
Agreement to proposal	Chief Executive	Corporate Policies			
9. Complaints (Patients & Relatives)					
Overall responsibility for ensuring that all complaints are dealt with effectively	Chief Executive				
Responsibility for ensuring complaints relating to a division / department is investigated thoroughly.	Chief Executive				
Management of legal complaints.	Chief Executive				
10. Confidential Information					
Review of the Foundation Trust's compliance with the Caldicott	Director of Finance, Digital & Estates	Corporate Policies			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
report on protecting patients' confidentiality in the NHS Freedom of Information Act compliance code	Director of Finance, Digital & Estates				
11. Data Protection Act					
Review of Foundation Trust's compliance	Director of Finance, Digital & Estates	Corporate Policies			
12. Declaration of Interest					
Declare relevant and material interest	Board of Directors	Constitution			
Maintain a register	Chief Executive	Constitution			
Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff".	All staff	Constitution			
Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)	All	Constitution			
13. Disposal and Condemnations					
Prepare detailed procedures for disposal of fixed assets including condemnations and ensure that these are notified to managers	Director of Finance, Digital & Estates	SFI 10.18 & SFI 14.1	Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively – Delegation based on the value of the asset replacement		
			• Buildings	-	Board
			• All other fixed assets	As per Section 6 above (Capital Investment)	As per Section 6 above (Capital Investment)
14. Environmental Regulations					
Review of compliance with environmental regulations, for	Director of Finance, Digital & Estates				

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example those relating to clean air and waste disposal.					
15. Extended Role Activities					
Approve Nurses to undertake duties / procedures which can properly be described as beyond the normal scope of Nursing Practice.	Director of Quality & Nursing or Chief Executive				
16. External Borrowing & Cash Investments					
Borrowing:					
• Advise the Board on the Trust's ability to pay dividend on PDC and issue a report concerning the PDC debt and all loans and overdrafts.	Director of Finance, Digital & Estates	SFI 11.2			
• Approve a list of employees authorised to make short term borrowings on behalf of the Foundation Trust	Board of Directors	SFI 11.3			
• Prepare procedural instructions	Director of Finance, Digital & Estates	SFI 11.3			
• Be on an authorising panel comprising one other member for short term borrowing approval	Chief Executive or Director of Finance, Digital & Estates	SFI 11.3			
Cash Investments:					
• Investment of surplus funds in accordance with the Foundation Trust's Treasury Management Policy	Director of Finance, Digital & Estates	SFI 11.4			
• Prepare cash investment procedures	Director of Finance, Digital & Estates	SFI 11.4			

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<ul style="list-style-type: none"> Will advise the Board on cash investments and report, periodically, on performance of same 	Director of Finance, Digital & Estates	SFI 11.4			
17. Facilities for staff not employed by the Trust to gain practical experience					
Professional recognition, honorary contracts, & insurance of medical staff, work experience students.	Director of Workforce & Organisational Development				
18. Financial Planning / Budgetary Responsibility					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
Setting:					
<ul style="list-style-type: none"> Submit budgets to the Board of Directors 	Director of Finance, Digital & Estates	SFI 3.1.2			
<ul style="list-style-type: none"> Submit to Board financial estimates and forecasts 	Director of Finance, Digital & Estates	SFI 3.1.3			
<ul style="list-style-type: none"> Compile and submit to the Board an Annual Plan: <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. 	Chief Executive				
Monitoring:					
<ul style="list-style-type: none"> Devise and maintain systems of budgetary control. 	Director of Finance, Digital & Estates	SFI 3.3.1			
<ul style="list-style-type: none"> Delegate budgets to budget holders 	Chief Executive				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<ul style="list-style-type: none"> Monitor performance against budget 	Director of Finance, Digital & Estates	SFI 3.3.1			
<ul style="list-style-type: none"> Ensure adequate training is delivered to budget holders to facilitate their management of the allocated budget. 	Director of Finance, Digital & Estates	SFI 3.1.6			
<ul style="list-style-type: none"> Submit financial monitoring returns to Monitor 	Chief Executive	SFI 3.5.1			
<ul style="list-style-type: none"> Identify and implement cost improvements and income generation activities in line with the Annual Plan 	Chief Executive	SFI 3.3.3			
Preparation of:					
<ul style="list-style-type: none"> Annual Accounts 	Director of Finance, Digital & Estates	SFI 4.1			
<ul style="list-style-type: none"> Annual Report 	Chief Executive	SFI 4.2			
Budget Responsibilities - Ensure that:	Budget Holders	SFI 3.3.2	Keeping Expenditure Within Budget:-		
<ul style="list-style-type: none"> no overspend or reduction of income that cannot be met from virement is incurred without prior consent of responsible Executive; 			<ul style="list-style-type: none"> At individual budget level (Pay & Non Pay) 	-	Budget Manager
			<ul style="list-style-type: none"> At service level 	-	Deputy Director or Departmental Head
			<ul style="list-style-type: none"> For the total services covered by Deputy Directors 	-	Chief Executive
<ul style="list-style-type: none"> approved budget is not used for any other than specified purpose subject to rules of virement; 			<ul style="list-style-type: none"> All other areas 	-	Delegated Manager
<ul style="list-style-type: none"> no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment. 			<ul style="list-style-type: none"> Approving additional expenditure over annual contract value 	Above 5%, up to a maximum of £100,000	Chief Executive or Director of Finance, Digital & Estates
				Below 5%	Budget Holder

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<p>Authorisation of Virement:</p> <ul style="list-style-type: none"> It is not possible for any officer to vire from non-recurring headings to recurring budgets or from capital to revenue / revenue to capital. Virement between different budget holders requires the agreement of both parties. 	Chief Executive & Budget holders	SFI 3.2	Virements within cost centre (including between pay and non pay)	Above £50,000	Locality/General/Department Manager
				Up to £50,000	Budget-holder
			Virements between Care Groups/Directorates	Above £100,000	Responsible Director and Director of Finance, Digital & Estates
				Up to £100,000	Agreement of both parties at Locality/General/Department Manager level
			Virements within Care Groups /Directorate	Above £100,000	Responsible Director
				Up to £100,000	Locality Manager/General Manager/Department Manager
Restructuring or virements resulting from consultations or service re-designs			All virements involving the implementation of "Management of Organisational Change "policy	Responsible Director	
Developments and investments			All developments and investments	Developments and Investments to be approved in line with Investment Policy (section 5.8)	
19. Financial Procedures and Systems					
Maintain and update Foundation Trust Financial Procedures	Director of Finance, Digital & Estates	SFI 1.1.3			
Maintain an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented	Chief Executive & Director of Finance, Digital & Estates	SFI 1.3.6			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Delegate detailed financial control responsibilities.	Chief Executive & Director of Finance, Digital & Estates	SFI 1.3.6			
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 is made aware of these instructions and their requirement to comply.	Chief Executive	SFI 1.3.8			
Responsibilities:-					
<ul style="list-style-type: none"> Implement Foundation Trust's financial policies and co-ordinate corrective action. 	Director of Finance, Digital & Estates	SFI 1.3.6			
<ul style="list-style-type: none"> Ensure adequate records are maintained to explain Foundation Trust's transactions and financial position. 	Chief Executive				
<ul style="list-style-type: none"> Provide financial advice to members of the Board of Directors and staff. 	Director of Finance				
<ul style="list-style-type: none"> Ensure appropriate statutory records, accounts, certificates etc are maintained. 	Chief Executive	SFI 1.3.3			
<ul style="list-style-type: none"> Design and maintain compliance with all financial systems 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the system of internal control 	Chief Executive				
Financial Systems					

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<ul style="list-style-type: none"> Responsible for the accuracy and security of computerised financial data 	Director of Finance, Digital & Estates	SFI 15.1			
<ul style="list-style-type: none"> Ensure that contracts for computer services clearly define responsibilities for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. 	Director of Finance, Digital & Estates	SFI 15.1			
<ul style="list-style-type: none"> 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 	Director of Finance, Digital & Estates	SFI 15.1			
<ul style="list-style-type: none"> Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place. 	Director of Finance, Digital & Estates	SFI 15.1			
<ul style="list-style-type: none"> Send proposals for general computer systems to the Director of Finance, Digital & Estates. 	Relevant Officers	SFI 15.2			
<p>Other Computer Systems - Where computer systems have an impact on corporate financial systems confirmation should be sought that</p>					
<ul style="list-style-type: none"> systems acquisition, development and maintenance are in line with corporate 	Director of Finance, Digital & Estates	SFI 15.2			

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<p>policies.</p> <ul style="list-style-type: none"> • data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists • Director of Finance, Digital & Estates and staff have access to such data. • Such computer audit reviews are being carried out as are considered necessary. 	<p>Director of Finance, Digital & Estates</p> <p>Director of Finance, Digital & Estates</p> <p>Relevant Officers</p>	<p>SFI 15.2</p> <p>SFI 15.2</p> <p>SFI 15.2</p>			
<p>20. Fire precautions</p> <p>Ensure that the Fire Precautions and prevention policies and procedures are adequate and that fire safety and integrity of the estate is intact.</p>	<p>Company Secretary</p>				
<p>21. Fixed Assets</p> <p>Maintain asset register including asset identification and monitoring</p> <p>Responsibility for security of Foundation Trust's assets including notifying discrepancies to the Director of Finance, Digital & Estates and reporting losses in accordance with Foundation Trust's procedures</p>	<p>Chief Executive</p> <p>Board of Directors, and all senior staff</p>	<p>SFI 12.3</p> <p>SFI 12.4</p>			
<p>22. Fraud (See also 27, 37)</p> <p>Monitor and ensure compliance with Anti Fraud and Bribery Standards on fraud and corruption including the appointment of the Local Counter Fraud Specialist.</p>	<p>Chief Executive and Director of Finance, Digital & Estates</p>	<p>SFI 14.2</p>			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Notify NHS Protect and External Audit of all Frauds	Director of Finance, Digital & Estates	SFI 14.2			
23. Funds Held on Trust (Charitable and Non Charitable Funds)					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
Ensure that each trust fund which the Foundation Trust is responsible for managing is managed appropriately.	Director of Finance, Digital & Estates	SFI 17	Expenditure authorisation (per request)	£50,000 and above	Audit & Risk Committee
				£20,000 to £50,000	Chief Executive or Director of Finance, Digital & Estates
				Up to £20,000	Nominated Fund Holder
24. Health and Safety					
Review of all statutory compliance with legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations.	Director of Quality & Nursing				
25. Hospitality/Gifts					
Keeping of hospitality register.	Chief Executive	SOs			
Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.	Corporate Policy	SFI 18			
26. Infectious Diseases and Notifiable Outbreaks					
	Director of Quality & Nursing	Infection Control Policies			
27. Losses, Write-offs and Compensation					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
Prepare procedures for recording and accounting for losses and special payments including preparation of a local counter fraud plan and informing the Counter	Director of Finance, Digital & Estates	SFI 14.1			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Fraud and Security Management Service of frauds.					
Financial Limits	Chief Executive				
Losses:					
<ul style="list-style-type: none"> Losses of cash due to theft, fraud, overpayment, Bad Debts and Claims abandoned. Private Patients, Overseas Visitors & Others. 	Chief Executive or Director of Finance, Digital & Estates	SFI 14.2		£1,000 up to £5,000	Chief Executive
<ul style="list-style-type: none"> Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson), or other. 	Chief Executive or Director of Finance, Digital & Estates	SFI 14.2		Up to £1,000	Director of Finance, Digital & Estates (Reported to the Audit & Risk Committee)
<ul style="list-style-type: none"> Fruitless payments (including abandoned Capital Schemes) 	Chief Executive	SFI 14.2		Up to £50,000	Chief Executive
A register of all of the payments should be maintained by the Finance Department and made available for inspection.	Director of Finance, Digital & Estates	SFI 14.2.7			
A report of all of the above payments should be presented to the Audit & Risk Committee.	Director of Finance, Digital & Estates	SFI 14.2.8			
Compensation payments made under legal obligation	Chief Executive or Director of Finance, Digital & Estates	SFI 14.4	Compensation payments made under legal obligation	-	Chief Executive and Director of Finance, Digital & Estates
Extra contractual payments to contractors	Chief Executive and Director of Finance, Digital & Estates	SFI 14.2	Extra contractual payments to contractors	Up to £50,000	Chief Executive and Director of Finance, Digital & Estates
Ex-Gratia Payments:					
<ul style="list-style-type: none"> Patients and staff for loss of 		SFI 14.2		£1,000 up to £5,000	Chief Executive and Director of Finance, Digital & Estates

Policy Title: Reservation and Delegation of Powers,
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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
personal effects	Chief Executive and Director of Finance, Digital & Estates		Patients and staff for loss of personal effects(Reported to the Audit & Risk Committee)	Up to £1,000	Director of Finance, Digital & Estates
<ul style="list-style-type: none"> For clinical negligence <£1m (negotiated settlements) 	Chief Executive and Director of Finance, Digital & Estates – Trust Board notified	SFI 14.2	Clinical negligence (negotiated settlements)	Up to £1,000,000	Chief Executive and Director of Finance, Digital & Estates – Trust Board notified
<ul style="list-style-type: none"> For personal injury claims involving negligence where legal advice has been obtained and guidance applied <£1m (including plaintiff's costs) 	Chief Executive and Director of Finance, Digital & Estates – Trust Board notified	SFI 14.2	Personal Injury Claims involving negligence where legal advice has been obtained and guidance applied	Up to £1,000,000 (including plaintiff's costs)	Chief Executive and Director of Finance, Digital & Estates – Trust Board notified
<ul style="list-style-type: none"> Other, except cases of maladministration where there was no financial loss by claimant 	Chief Executive and Director of Finance, Digital & Estates	SFI 14.2	Other, except cases of maladministration where there was no financial loss by claimant	-	Chief Executive and Director of Finance, Digital & Estates
<ul style="list-style-type: none"> Write off of NHS and Non-NHS Debtors 	Reported to the Audit & Risk Committee for information	SFI 14.2			
28. Medicines Inspectorate Regulations					
Review Regulations	Medical Director	Corporate Policies			
29. Non Pay Expenditure					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
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. NB - The limits specified relate to the authorisation value of	Chief Executive	SFI 9.1.1	All Non-Capital Requisitions (Including cumulative contract value for leased equipment), and	Up to 100,000	Chief Executive or Director of Finance, Digital & Estates
			Orders exceeding a 12 month period	Up to £50,000	Executive Director
				Up to £20,000	Deputy Director, Managers, and Clinicians with divisional (geographic or service type) budget responsibility
				Up to £5,000	Other budget holders

Policy Title: Reservation and Delegation of Powers,
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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<p>non-pay expenditure, and do not mean that tendering procedures can be set aside.</p> <p>Limits are exclusive of contracts arranged via a formal tender process .</p>		SFI 9.2.6	Contracts for goods and services and subsequent variations to contracts		Director of Finance, Digital & Estates
			Petty Cash Disbursements – Single Transactions	Above £25	Head of Financial Services
				Up to £25	Petty Cash Holder
Obtain the best value for money when requisitioning goods / services. In so doing, the advice of the Procurement Department shall be sought	Requisitioner	SFI 9.2.1			
Set out procedures on the seeking of professional advice regarding the supply of goods and services.	Chief Executive	SFI 9.1.2			
Non-Pay Expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers of virement.	Chief Executive	SFI 9.1.2	Non-pay expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers of virement	Subject to other limits specified in 3.	Chief Executive & Director of Finance, Digital & Estates
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	Director of Finance, Digital & Estates	SFI 9.2.3			
Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds	Director of Finance, Digital & Estates	SFI 9.2.3			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Be responsible for the prompt payment of all properly authorised accounts and claims	Director of Finance, Digital & Estates	SFI 9.2.3			
Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable	Director of Finance, Digital & Estates	SFI 9.2.3			
A timetable and system for submission to the Director of Finance, Digital & Estates of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment	Director of Finance, Digital & Estates	SFI 9.2.3			
Instructions to employees regarding the handling and payment of accounts within the Finance Department	Director of Finance, Digital & Estates	SFI 9.2.3			
Be responsible for ensuring that payment for goods and services is only made once the goods and services are received	Director of Finance, Digital & Estates	SFI 9.2.3			
Make a written case to support the need for a prepayment	Appropriate Executive Director	SFI 9.2.4			
Approve proposed prepayment arrangements	Director of Finance, Digital & Estates	SFI 9.2.4			
Ensure that all items due under a prepayment contract are received (and immediately inform Director of Finance, Digital & Estates if problems are encountered).	Budget holder	SFI 9.2.4			

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and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Development of systems for the prompt payment of accounts	Director of Finance, Digital & Estates	SFI 9.2.2			
Authorise who may use and be issued with official orders	Chief Executive	SFI 9.2.5			
Ensure that they comply fully with the guidance and limits specified by the Director of Finance, Digital & Estates.	Managers and Officers	SFI 9.2.6			
Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.	Director of Finance, Digital & Estates	SFI 9.2.3			
30. Patients' Property (in conjunction with financial advice)					
Ensure patients and guardians are informed about patients' monies and property procedures on admission	Chief Executive	SFI 16.2			
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.	Director of Finance, Digital & Estates	SFI 16.3	Disbursement of Patients' Monies	£250 and above	Care Group Manager
				Up to £250	Departmental Manager
			Reimbursement of Patient Monies where the Trust no longer provides the Patients' care.	£20,000 and above	Deputy Director of Finance, Digital & Estates
				Up to £20,000	Head of Financial Services
Inform staff of their duties in respect of patients' property	Departmental Managers	SFI 16.6			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
31. Patient Services					
Variation of operating and clinic sessions within existing numbers					
• Outpatients	Network Manager				
• Other	Network Manager				
All proposed changes in bed allocation and use					
• Temporary change	Associate Director of Nursing and Quality, or Associate Director of Operations				
• Permanent change	Chief Executive				
• Contract monitoring and reporting	Director of Finance, Digital & Estates				
32. Patient and Non-Patient Services Agreements					
Ensure the Trust enters into suitable Contracts with service commissioners and other parties for the provision of NHS services.	Chief Executive	SFI 7.5		to negotiate and sign service contracts or variations up to their expenditure authority limits	Associate Directors of Operations; Associate Chief Operating Officers; and Executive Directors
As the Accountable Officer, ensure that regular reports are provided to [the Board] detailing actual and forecast income from Contracts.	Chief Executive	SFI 7			
33. Personnel and Pay					
Establish a Remuneration & Terms of Service Committee	Board of Directors	SFI 8.1			
Advise the Board on and make recommendations on the remuneration and terms of service of the Chief Executive, other	Remuneration Committee	SFI 8.1			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Executive Directors and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements					
Monitor and evaluate the performance of individual senior employees.	Remuneration Committee	SFI 8.1			
Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.	Remuneration Committee	SFI 8.1			
Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.	Remuneration Committee	SFI 8.1			
Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.	Board of Directors	SFI 8.1			
Ensure all employees are issued with a Contract of employment in a form approved by the Board of Directors and which complies with employment legislation; and deal with variations to, or termination of, contracts of employment.	Director of Workforce & Organisational Development	SFI 8.5			
Shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.	Chief Executive				
Staff, including agency staff, appointments and re-grading	Chief Executive	SFI 8.3			

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Establishments		SFI 8.2			
<ul style="list-style-type: none"> Approve variation to funded establishment of any department 	Chief Executive			Above £100,000	Chief Executive or Director of Finance, Digital & Estates
				Up to £100,000	Responsible Director
<ul style="list-style-type: none"> Additional staff to the agreed establishment with specifically allocated finance 	Members of Executive Committee of the Board of Directors				
Payroll		SFI 8.4			
<ul style="list-style-type: none"> specify timetables for submission of properly authorised time records and other notifications 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> final determination of pay and allowances 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> make payments on agreed dates 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> agree method of payment. 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> issue instructions (as listed in SFI 10.4.2). 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> 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 	Director of Finance, Digital & Estates				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Pay		SFI 8.4			
<ul style="list-style-type: none"> Submit standing data forms effecting pay, new starters, variations and leavers on time 	Authorised Signatory				
<ul style="list-style-type: none"> Authority to complete and authorise positive reporting forms 	Authorised Signatory				
<ul style="list-style-type: none"> Authority to authorise overtime 	Authorised Signatory				
<ul style="list-style-type: none"> Authority to authorise travel and subsistence expenses 	Authorised Signatory				
<ul style="list-style-type: none"> Approval of performance related pay assessment 	Remuneration Committee				
Leave		Corporate Policies			
<ul style="list-style-type: none"> Approval of Annual Leave 	Line or Departmental Manager				
<ul style="list-style-type: none"> Annual leave – approval of carry forward up to 5 days 	Departmental Manager				
<ul style="list-style-type: none"> Annual leave – approval of carry forward of between 5 & 10 days 	Deputy Director or Departmental Head				
<ul style="list-style-type: none"> Annual leave – approval of carry forward over 10 days 	Responsible Director				
<ul style="list-style-type: none"> Carer / Compassionate leave – approval of up to 5 days with pay, and additional leave without pay 	Care Group / Departmental Manager				
<ul style="list-style-type: none"> Special leave arrangements including leave without pay 	Care Group / Departmental Manager				
<ul style="list-style-type: none"> Medical Staff Leave of Absence 	Medical Director				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
– Paid and unpaid					
Sick Leave					
<ul style="list-style-type: none"> Return to work part-time on full pay to assist recovery 	Director of Workforce & Organisational Development	Corporate Policies			
Study Leave		Corporate Policies			
<ul style="list-style-type: none"> Study leave outside the UK 	Chief Executive				
<ul style="list-style-type: none"> Medical staff study leave (UK) 	Medical Director				
<ul style="list-style-type: none"> All other study leave 	Departmental Manager				
Removal Expenses					
<ul style="list-style-type: none"> Authorise payment of removal expenses incurred by officers taking up new appointments subject to considerations negotiated at interview 	Director of Workforce & Organisational Development	Corporate Policies	Authorisation of payment of removal expenses incurred by officers taking up new appointments subject to considerations negotiated at interview	Above £8,000	Chief Executive
				Up to £8,000	Executive Director
Grievance Procedure					
<ul style="list-style-type: none"> All grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of the Director of Workforce & Organisational Development must be sought when the grievance reaches the level of Chief Executive 	Director of Workforce & Organisational Development	Corporate Policies			
Authorise Car & Mobile Phone Users					
<ul style="list-style-type: none"> Requests for new posts to be authorised as lease car users 	Departmental Head				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<ul style="list-style-type: none"> Requests for new posts to be authorised as mobile telephone users 	Departmental Head				
Renewal of Fixed Term Contract	Departmental Head				
Staff Retirement Policy	Director of Workforce & Organisational Development				
Redundancy	Director of Workforce & Organisational Development, or Remuneration Committee		Staff Redundancy Costs per single case		
			<ul style="list-style-type: none"> AfC Band 8 and above (or equivalent medical staff grade) 	All	Remuneration Committee
			<ul style="list-style-type: none"> AfC Band 7 and below (or equivalent medical staff grade) 	Above £100,000	Remuneration Committee
			Individual and collective cases	Up to £100,000	Director of Workforce & Organisational Development, and Director of Finance, Digital & Estates, or, Chief Executive
Ill Health Retirement					
<ul style="list-style-type: none"> Decision to pursue retirement on grounds of ill health 	Director of Workforce & Organisational Development				
Disciplinary Procedures	Line Manager				
Dismissal	Dismissing Officer				
34. Quotation, Tendering and Contract Procedures					
<i>(All delegated limits quoted are inclusive of VAT)</i>					
Services:		SFI 10			
<ul style="list-style-type: none"> Best value for money is demonstrated for all services provided under contract or in-house 	Chief Executive				
<ul style="list-style-type: none"> Nominate officers to oversee and manage the contract on 	Chief Executive				

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DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
behalf of the Foundation Trust.					
Quotations		SFI 10.11	Obtain a single quote for goods / services.	Up to £1,000	Budget holder
			Note. Single quotes are limited to the use of suppliers required for emergency works outside of standard office hours (e.g. Monday to Friday, 9am to 5pm).		
			Obtain a minimum of two competitive quotations for goods / services.	Up to £6,000	Budget holder, Head of Procurement
			Obtain a minimum of three competitive quotations for goods / services.	£6,001 up to £25,000	Budget holder, Project Manager, Head of Procurement
<ul style="list-style-type: none"> 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. 	Chief Executive				
Competitive Tenders:					
<ul style="list-style-type: none"> Authorisation limits 	Chief Executive	SFI 10.5	Competitive tenders required for goods / services	£25,000 to 80% of EU Procurement threshold	Budget holder, Project Manager, Head of Procurement
			Full EU procurement process required for goods & services	Above 80% of EU Procurement threshold	Budget holder, Project Manager, Head of Procurement, & Finance Lead
<ul style="list-style-type: none"> Shall maintain a register to show each set of competitive tender invitations dispatched 	Chief Executive				
<ul style="list-style-type: none"> Receipt and custody of tenders prior to opening 	Chief Executive				
<ul style="list-style-type: none"> Opening of tenders 	Chief Executive		Opening: Tenders	All	One Executive Director or Senior Manager (Band 8 and above), and One Corporate Administration Staff Member
<ul style="list-style-type: none"> Decide if late tenders should be considered 	Chief Executive				

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Waive the requirement to request quotes or tenders - subject to SOs	Chief Executive	SFI 10.5.3	Waiving requirements of quotation or single tender	Up to 80% of EU Procurement threshold	Chief Executive or Director of Finance, Digital & Estates
Where one tender is received will assess for value for money and fair price.	Chief Executive & Director of Finance, Digital & Estates	SFI 10.10			
No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.	Chief Executive	SFI 10.10			
Report waivers for tenders and quotations to the Board	Chief Executive	SFI 10.5.3			
The authorisation of contracts <ul style="list-style-type: none"> • Authorisation limits 	Chief Executive				
35. Records					
Retention of records held under the Records Management Code of Practice	Chief Executive	<i>SFI 19</i>			
36. Relationship with Press					
Non-Emergency General Enquiries					
<ul style="list-style-type: none"> • Within normal working hours 	Director of Finance, Digital & Estates				
<ul style="list-style-type: none"> • Outside hours 	Duty Officer or Gold On-call Individual				
Emergency					

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<ul style="list-style-type: none"> • Within normal working hours • Outside hours 	<p>Chief Executive</p> <hr/> <p>Duty Officer or Gold On-call Individual</p>				
37. Reporting of Incidents to the Police					
<p>Where a criminal offence is suspected</p> <ul style="list-style-type: none"> • criminal offence of a violent nature • arson or theft • other 	<p>Director of Operations, or Director of Nursing and Quality</p>	SFI 14.2			
<p>Where a fraud is involved (Counter Fraud and Security Management Service and External Audit)</p>	<p>Director of Finance, Digital & Estates</p>	SFI 14.2			
<p>Decide at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption.</p>	<p>Director of Finance, Digital & Estates</p>	SFI 14.2			
38. Risk Management and Insurance Policies					
<p>Ensure the Foundation Trust has a Risk Management Strategy and a programme of risk management</p>	<p>Chief Executive</p>	SFI 20.1			
<p>Approve and monitor risk management programme.</p>	<p>Board of Directors</p>	SFI 20.1			
<p>Review appropriate requirement for insurance claims</p>	<p>Company Secretary</p>	SFI 20.2			
<p>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.</p>	<p>Board of Directors</p>	SFI 20.2.3			

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
<p>Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Company Secretary shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Company Secretary 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 Director of Finance, Digital & Estates shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Director of Finance, Digital & Estates 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>	Company Secretary	SFI 20.2.3			
39. Seal					
Authorisation for the sealing of documents	Board of Directors [Board approval required elsewhere]	SOs			
The keeping of a register of seal and safekeeping of the seal	Chief Executive	SOs			
Attestation of seal in accordance with Standing Orders	Chief Executive or Director of Finance, Digital & Estates	SOs			

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

DELEGATED MATTER	DELEGATED TO	POLICY REF	DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
40. Security Management					
Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.	Chief Executive				
Security arrangements and custody of keys.	Nominated Officers	SFIs 6.4 & 13.2			
41. Setting of Fees and Charges					
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.	Director of Finance, Digital & Estates	SFI 6.1			
Inform the Director of Finance, Digital & Estates of monies due to the Foundation Trust	All staff	SFI 6.2.2			
42. Stores and Receipt of Goods					
Delegate overall responsibility for control of stores.	Chief Executive	SFI 13.2			
Responsibility for systems of control over stores and receipt of goods, issues and returns	Director of Finance, Digital & Estates	SFI 13.2.3			
Responsibility for control of Pharmaceutical stocks	Designated Pharmaceutical Officer	SFI 13.2.5			
Identify persons authorised to requisition and accept goods from NHS Supplies stores.	Chief Executive	SFI 13.4			

6 STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

- 1.1.1 Monitor sets the Terms of Authorisation for the Foundation Trust that require compliance with the principles of best practice applicable to corporate governance within the NHS / Health Sector with any relevant code of practice and guidance issued by Monitor.
- 1.1.2 The Code of Conduct and Accountability in the NHS issued by the Department of Health requires that each NHS organisation shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the Code. They shall have effect as if incorporated in the Standing Orders (SOs) of the Foundation Trust.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Foundation Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and 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 of Directors and the Scheme of Delegation adopted by the Foundation Trust.
- 1.1.3 These SFIs identify the financial responsibilities, which apply to everyone working for the Foundation Trust. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. The Director of Finance, Digital & Estates must approve all financial procedures.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance, Digital & Estates must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Foundation Trust's SOs.

FAILURE TO COMPLY WITH STANDING FINANCIAL INSTRUCTIONS AND STANDING ORDERS IS A DISCIPLINARY MATTER, WHICH COULD RESULT IN DISMISSAL.

- 1.1.5 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 & Risk Committee for referring action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance, Digital & Estates prior to acting.

1.2 Terminology

- 1.2.1 Unless the contrary intention appears or the context otherwise requires, words or expressions contained in the Standing Order bear the same meaning as in the Health and Social Care (Community Health and Standards) Act 2003 and the Constitution. References in the Standing Orders to legislation include all amendments, replacements, or re-enactments made.
- 1.2.2 Headings are for ease of reference only and are not to affect interpretation. Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.
- 1.2.3 Wherever the title Chief Executive, Director of Finance, Digital & Estates, or other nominated officer is used in these instructions, it shall be deemed to include such other directors or employees who have been duly authorised to represent them.
- 1.2.4 Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Foundation Trust when acting on behalf of the Foundation Trust. Including nursing and medical staff and consultants practising on the Foundation Trust premises.

1.3 Responsibilities And Delegation

- 1.3.1 The Foundation Trust shall at all times remain a going concern as defined by the relevant accounting standards in force.

Board of Directors

- 1.3.2 The Board of Directors exercises financial supervision and control by:
- a) formulating the financial strategy;
 - b) requiring the submission and approval of budgets within overall income;
 - c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and by ensuring appropriate audit provision; and
 - d) defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document
- 1.3.2 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the "Reservation of Powers to the Board of Directors" document, published within the Scheme of Delegation. The Board of Directors will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Foundation Trust.

Chief Executive and Director of Finance, Digital & Estates

- 1.3.3 Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors, and as the accounting officer for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Foundation Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Foundation Trust's system of internal control.
- 1.3.4 The Chief Executive and Director of Finance, Digital & Estates will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.
- 1.3.5 It is a duty of the Chief Executive to ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions. All staff shall be responsible for ensuring conformity with the Standing Orders, Standing Financial Instructions and financial procedures of the Foundation Trust.
- 1.3.6 The Director of Finance, Digital & Estates is responsible for:
- a) implementing the Foundation Trust's financial policies and for co-ordinating any corrective action necessary to further these policies; (The SFIs themselves do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes).
 - 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 Foundation Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Foundation Trust at any time;
and, without prejudice to any other functions of directors and employees to the Foundation Trust, the duties of the Director of Finance, Digital & Estates include:
 - d) the provision of financial advice to other members of the Board of Directors, Governors Council and employees;
 - e) the design, implementation and supervision of systems of internal financial control; and
 - f) the preparation and maintenance of such accounts, certificates, estimates, records and financial reports as the Foundation Trust may require for the purpose of carrying out its statutory duties.

Directors and Employees

- 1.3.7 All directors and employees, severally and collectively, are responsible for:

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

Contractors and their Employees

- 1.3.8 Any contractor or employee of a contractor who is empowered by the Foundation Trust to commit the Foundation 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.
- 1.3.9 For directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Director of Finance, Digital & Estates.

2 AUDIT

2.1 Audit & Risk Committee

- 2.1.1 In accordance with Standing Orders the Board of Directors shall formally establish a committee of three non-executive directors (Audit & Risk Committee).
- 2.1.2 The Audit & Risk Committee has clearly defined terms of reference, which is reviewed annually, and should be read in conjunction with this section. The Terms of Reference sets out the purpose of the Audit & Risk Committee and the areas it will monitor, review, and make recommendations to the Board on.
- 2.1.3 The Terms of Reference is held by the Executive Administration function.

2.2 Director of Finance, Digital & Estates

- 2.2.1 The Director of Finance, Digital & Estates is responsible for:
- a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function and the coordination of other assurance arrangements;
 - b) ensuring that the Internal Audit is adequate and meets professional standards;
 - c) deciding at what stage to involve the police in cases misappropriation, and other irregularities not involving fraud or corruption;

- d) ensuring that an annual internal audit report is prepared for the consideration of the Audit & Risk Committee. The report must cover:
 - i) a clear opinion on the effectiveness of internal controls in accordance with current guidance issued by the Department of Health,
 - 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) audit strategy,
 - vi) a detailed plan for the coming year.

2.2.2 The Director of Finance, Digital & Estates or designated auditors are entitled without necessarily giving prior notice to require and receive:

- a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- b) access at all reasonable times to any land, premises, members of the Board of Directors and Governors Council or employee of the Foundation Trust;
- c) the production of any cash, stores or other property of the Foundation Trust under a member of the Board of Directors or employee's control; and
- d) explanations concerning any matter under investigation.

2.3 Internal Audit

2.3.1 The NHS Foundation Trust Accounting Officer Memorandum requires the Foundation Trust to have an internal audit function.

2.3.2 Role of Internal Audit

The role of internal audit embraces two key areas:

- The provision of an independent and objective opinion to the Accounting Officer, the Board of Directors and the Audit & Risk Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives.
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

2.3.3 Internal Audit will review, appraise and report upon:

- a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;

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

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 Director of Finance, Digital & Estates must be notified immediately.

2.3.5 The Chief Internal Auditor or the nominated representative will normally attend Audit & Risk Committee meetings and has a right of access to all Audit & Risk Committee members, the Chair and Chief Executive of the Foundation Trust.

2.3.6 The Chief Internal Auditor shall be accountable to the Director of Finance, Digital & Estates. The reporting system for internal audit shall be agreed between the Director of Finance, Digital & Estates, the Audit & Risk 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 Manual, and professional standards. Where, in exceptional circumstances, the use of normal reporting channels is thought to limit the objectivity of the audit, the Head of Internal Audit shall have access to report direct to the Chair or a non-executive member of the Foundation Trust's Audit & Risk Committee.

2.3.7 Managers in receipt of audit reports referred to them, have a duty to take appropriate remedial action within the agreed time-scales specified within the report. The Director of Finance, Digital & Estates shall identify a formal review process to monitor the extent of compliance with audit recommendations. Where appropriate remedial action has failed to take place within a reasonable period, the matter shall be reported to the Director of Finance, Digital & Estates.

2.3.8 Access to Documents

For the purpose of their function, internal audit has a right of access at all reasonable times to every document relating to the Foundation Trust.

2.4 External Audit

2.4.1 Duties

The Foundation Trust is to have an external auditor and is to provide the external auditor with every facility and all information which he may reasonably require for the purposes of his functions under Part 1 of the 2003 Act.

The external auditor is to carry out their duties in accordance with Schedule 5 to the 2003 Act and in accordance with any directions given by Monitor on standards, procedures and techniques to be adopted.

In auditing the accounts the external auditor must, by examination of the accounts and otherwise, satisfy themselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Foundation Trust is required to include an annual governance statement within the financial statements. The external auditors have a responsibility to:

- consider the completeness of the disclosures in meeting the relevant requirements; and
- identify any inconsistencies between the disclosures and the information that they are aware of from their work on the financial statements and other work.

2.4.2 Appointment of External Auditor

The external auditor is appointed by the Governors Council following recommendation from the Audit & Risk Committee. The Audit Code for NHS Foundation Trust (“the Audit Code”) contains the directions of the Regulator under paragraph 24(5) of Schedule 1 to the Health and Social Care (Community Health and Standards) Act 2003, with respect of the standards, procedures and techniques to be adopted by the auditor.

A person may only be appointed as the external auditor if they (or in the case of a firm of each of its members) are a member of one or more of the bodies referred to in paragraph 23 (4) of Schedule 1 to the 2003 Act.

The Governors Council at a General Meeting shall appoint or remove the Foundation Trust’s external auditor.

The Board of Directors may resolve that external auditors be appointed to review and publish a report on any other aspect of the Foundation Trust’s performance. Any such auditors are to be appointed by the Governors Council.

2.4.3 The Foundation Trust shall comply with the Audit Code.

2.4.4 The external auditor shall comply with the Audit Code.

2.4.5 Monitor may require auditors to undertake work on its behalf at the Foundation Trust. In this situation, a tripartite agreement between Monitor, the auditor and the Foundation Trust will be agreed. This agreement, which will include details of the subsequent work and reporting arrangements, will be in accordance with the principles established in the guidance issued by the Institute of Chartered Accountants in England and Wales in audit 05/03: Reporting to Regulators or Regulated Entities.

The auditor may, with the approval of the Governors Council, provide the Foundation Trust with services which are outside of the scope as defined in the code (additional services). The Audit & Risk Committee will consider and approve any additional services to be provided by the auditor.

2.4.6 Liaison with Internal Audit

It is expected that the external auditors will liaise with the internal audit function in order to obtain a sufficient understanding of internal audit activities to assist in planning the audit and developing an effective audit approach. The external auditors may also wish to place reliance upon certain aspects of the work of internal audit in satisfying their statutory responsibilities as set out in the 2003 Act and the Audit Code. In particular the external auditor may wish to consider the work of internal audit when undertaking their procedures in relation to the statement on internal control.

2.4.7 Access To Documents

The external auditors of the Foundation Trust have a right of access at all reasonable times to every document relating to the Foundation Trust which is necessary for the purpose of their functions under Part 1 of the 2003 Act.

2.4.8 Public Interest Report

In the event of the external auditor issuing a Public Interest report the Foundation Trust shall:

- Send the public interest report to the Governors Council and the Board of Directors:
 - At once if it is an immediate report; or
 - Not later than 14 days after conclusion of the audit.
- forward a report to Monitor within 30 days (or such shorter period as Monitor may specify) of the report being issued. The report shall include details of the Foundation Trust's response to the issues raised within the Public Interest report.

2.5 Fraud, Corruption and Bribery

2.5.1 The Foundation Trust shall take all necessary steps to counter fraud affecting NHS funded services in accordance with Clause 47 of the "Foundation Trust Agency Purchase Contract" (FTAPC) including the attached Schedule 11 and in accordance with;

- the NHS Fraud and Corruption Manual published by NHS Protect;
- the policy statement "Applying appropriate sanctions consistently" published by CFSMS;
- any other reasonable guidance or advice issued by NHS Protect that affects efficiency, systemic and/or procedural matters.
- The Chief Executive and Director of Finance, Digital & Estates shall monitor and ensure compliance with the above.

- 2.5.2 The Foundation Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.
- 2.5.3 The Local Counter Fraud Specialist shall report to the Foundation Trust Director of Finance, Digital & Estates and shall work with the staff in NHS Protect and the Counter Fraud Operational Service in accordance with the Department of Health Fraud and Corruption Manual.
- 2.5.4 The Local Counter Fraud Specialist will provide a written plan and report to the Audit & Risk Committee, at least annually on counter fraud work within the Foundation Trust.
- 2.5.5 The Bribery Act 2010 replaces the 'Prevention of Corruption Acts 1906 and 1916' with new corporate and individual offences as defined in these Standing Financial Instructions. All staff and contractors must be made aware of the Act and Anti-Bribery Policy to ensure compliance. **Any breach of the Act may result in criminal proceedings being commenced.**

2.6 Security Management

- 2.6.1 The Foundation Trust shall promote and protect the security of people engaged in activities for the purposes of the health service functions of that body, its property and its information in accordance with the requirements of the 'Foundation Trust Contract', having regard to any other reasonable guidance or advice issued by NHS Protect.
- 2.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by NHS Protect guidance.

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

3.1 Preparation And Approval Of Business Plans And Budgets

- 3.1.1 The Chief Executive will compile and submit to the Board of Directors a strategic direction document that encompasses an annual business plan and takes into account financial targets and forecast limits of available resources. The annual plan will contain:
- a) a statement of the significant assumptions on which the plan is based;
 - b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 3.1.2 Prior to the start of the financial year the Director of Finance, Digital & Estates will, on behalf of the Chief Executive, prepare and submit budgets relating to income and expenditure for approval by the Board of Directors. Such budgets will:

- a) be in accordance with the aims and objectives set out in the Foundation Trust's annual business plan, and the commissioners' contracts;
- b) accord with workload strategy 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;
- f) be based on reasonable and realistic assumptions; and
- g) enable the Foundation Trust to comply with the requirements of the Prudential Borrowing Code set by Monitor.

3.1.3 The Director of Finance, Digital & Estates shall monitor financial performance against budgets, periodically review it and report to the Board of Directors.

3.1.4 All budget holders must provide information as required by the Director of Finance, Digital & Estates 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 Director of Finance, Digital & Estates has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders and budget managers to help them manage successfully.

3.2 Budgetary Delegation

3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Section 31 of the Health Act 1999. 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; and
- f) the provision of regular reports.

3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board of Directors.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement. A budget virement must be consistent with the achievement of agreed targets or objectives and will not be approved in circumstances where the Directorate is likely to over commit its revenue budget. Budget savings as a result of vacancies, or for other fortuitous reasons, are not available for virement

if these savings are required to cover overspends elsewhere in the directorate, or are the result of an imposed vacancy freeze.

- 3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance, Digital & Estates.

3.3 Budgetary Control And Reporting

- 3.3.1 The Director of Finance, Digital & Estates will devise and maintain systems of budgetary control. These will include:

- a) regular financial reports to the Board of Directors in a form approved by the Board of Directors containing:
 - i) income and expenditure to date showing trends and forecast year-end position;
 - ii) balance sheet, including movements in working capital;
 - iii) cash flow statement and details of performance within Prudential Borrowing Code;
 - iii) capital project spend and projected out-turn against plan;
 - iv) explanations of any material variances from plan/budget;
 - v) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance, Digital & Estates'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 and budget manager, covering the areas for which they are responsible;
- c) investigation and reporting of variances from financial, and wte budgets;
- d) monitoring of management action to correct variances;
- e) arrangements for the authorisation of budget transfers;
- f) advising the Chief Executive and Foundation Trust Board of Directors of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the economic and financial impact of future plans and projects; and.
- g) review of the bases and assumptions used to prepare the budgets.

In the performance of these duties the Director of Finance, Digital & Estates will have access to all budget holders and budget managers on budgetary matters and shall be provided with such financial and statistical information as is necessary.

- 3.3.2 Each Budget Holder is responsible for ensuring that:

- a) any planned or known overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the responsible Executive;
- b) officers shall not exceed the budget limit set;
- c) 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; and,
- d) no permanent employees are appointed without the approval of the Chief Executive or Director of Finance, Digital & Estates other than those provided for in the budgeted establishment as approved by the Board of Directors.

3.3.3 The Chief Executive 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 Section 10.)

3.5 Monitoring Returns

3.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to Monitor within the specified time-scales.

4 ANNUAL ACCOUNTS AND REPORTS

4.1 Accounts

The Director of Finance, Digital & Estates on behalf of the Foundation Trust is to keep accounts in such form as Monitor may with the approval of the Treasury direct. The accounts are to be audited by the Foundation Trust's external auditor. The following documents will be made available to the Comptroller and Auditor General for examination at his request:

- the accounts;
- any records relating to them; and
- any report of the external auditor on them.

The Accounting Officer shall ensure that the Foundation Trust prepares in respect of each financial year annual accounts in such form as Monitor may with the approval of the Treasury direct. In preparing its annual accounts, the Foundation Trust is to comply with any directions given by Monitor with the approval of the Treasury as to:

- the methods and principles according to which the accounts are to be prepared;
- the information to be given in the accounts;

and shall be responsible for the functions of the Foundation Trust as set out in paragraph 25 of Schedule 1 to the 2003 Act.

The annual accounts, any report of the external auditor on them, and the annual report are to be presented to the Governors Council at a General Meeting.

The Accounting Officer shall cause the Foundation Trust to:

- send copies of the final annual accounts, and any report of the external auditor on them to Monitor, and.
- once it has done so, lay a copy of those documents, before Parliament;

Responsibility for complying with the requirements relating to the form, preparation and presentation of the accounts shall be delegated to the Accounting Officer.

4.2 Annual Reports

The Accounting Officer shall ensure that the Foundation Trust prepares annual reports and that they are submitted to Monitor and laid before Parliament together with the annual accounts. The reports are to be in the form required by Monitor as set out in the ARM or otherwise.

The external auditors of the Foundation Trust have a responsibility to read the information contained within the Annual Report and consider and report on whether it contains any information which is inconsistent with the accounts or their understanding of the business of the Foundation Trust.

4.3 Annual Plans

The Foundation Trust is to give information as to its forward planning in respect of each financial year to Monitor. The document containing this information is to be prepared by the Directors, and in preparing the document, the Board of Directors must have regard to the views of the Governors Council.

The Foundation Trust is required to provide three types of in-year reports:

- regular reports, as required by Monitor;
- exception reports, which may relate to any in-year issue affecting compliance with the Authorisation, such as performance against core national healthcare targets and standards; and
- ad hoc reports, following up specific issues identified either in the Annual Plan or in-year.

5 BANK AND GBS ACCOUNTS

5.1 General

5.1.1 The Director of Finance, Digital & Estates is responsible for managing the Foundation Trust banking arrangements and for advising the Foundation Trust on the provision of banking services and operation of accounts.

5.1.2 The Board of Directors shall approve the banking arrangements.

5.2 Bank And GBS Accounts

5.2.1 The Director of Finance, Digital & Estates is responsible for:

- a) bank accounts and Government Banking Service (GBS) accounts; and other forms of working capital financing that may be available.
- b) establishing separate bank accounts for non-Foundation Trust's funds;
- c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made; and
- d) reporting to the Board of Directors all arrangements made with the Foundation Trust's bankers for accounts to be overdrawn when utilising the working capital facility.

All accounts should be held in the name of the Foundation Trust. No officer other than the Director of Finance, Digital & Estates shall open any account in the name of the Foundation Trust, or for the purpose of furthering Foundation Trust activities, or any Funds Held on Trust Accounts.

5.3 Banking Procedures

5.3.1 The Director of Finance, Digital & Estates will prepare detailed instructions on the operation of bank and GBS accounts, which must include:

- a) the conditions under which each bank and GBS account is to be operated;
- b) the limit to be applied to any overdraft; and
- c) those authorised to sign cheques or other orders drawn on the Foundation Trust's accounts.

5.3.2 The Director of Finance, Digital & Estates must advise the Foundation Trust's bankers in writing of the conditions under which each account will be operated.

5.4 Tendering And Review

5.4.1 The Director of Finance, Digital & Estates will review the banking arrangements of the Foundation Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Foundation Trust's business banking.

5.4.2 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board of Directors. This review is not applicable to GBS accounts.

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

6.1 Income Systems

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

6.1.2 All such systems shall incorporate, where practicable, in full the principles of internal check and separation of duties.

6.1.3 The Director of Finance, Digital & Estates is also responsible for the prompt banking of all monies received.

6.2 Fees And Charges Other Than Foundation Trust Contracts (See Section 7).

6.2.1 The Director of Finance, Digital & Estates is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health 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's Commercial Sponsorship – Ethical standards in the NHS shall be followed.

6.2.2 All employees must inform the Director of Finance, Digital & Estates 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 Director of Finance, Digital & Estates is responsible for the appropriate recovery action on all outstanding debts, including a formal follow up procedure for all debtor accounts.

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 Negotiable Instruments

6.4.1 The Director of Finance, Digital & Estates 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; (No form of receipt which has not been specifically authorised by the Director of Finance, Digital & Estates should be issued).
 - b) ordering and securely controlling any such stationery;
 - c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
 - d) prescribing systems and procedures for handling cash on behalf of the Foundation Trust.
- 6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques, nor IOUs.
- 6.4.3 Staff shall be informed in writing on appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc.
- 6.4.4 All cheques, postal orders, cash etc., shall be banked promptly intact except under arrangements approved by the Director of Finance, Digital & Estates.
- 6.4.5 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 Foundation Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Foundation Trust from responsibility for any loss.
- 6.4.9 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be monitored and recorded within the Finance Department. Any significant trends should be reported to the Director of Finance, Digital & Estates and Internal Audit via the incident reporting system. Where there is prima facie evidence of fraud or corruption this should follow the form of the Foundation Trust's Fraud and Corruption Response Plan (See Appendix C) and the guidance provided by the Counter Fraud and Security Management Service. Where there is no evidence of fraud or corruption the loss should be dealt with in line with the Foundation Trust's Losses and Compensations Procedures.

7 FOUNDATION TRUST CONTRACTS

- 7.1 The Board of Directors of the Foundation Trust shall regularly review and shall at all times maintain and ensure the capacity and capability of the Foundation Trust to provide the mandatory goods and services referred to in the Terms of Authorisation and related Schedules.
- 7.2 The Chief Executive, as the accounting officer, is responsible for ensuring the Foundation Trust enters into suitable Foundation Trust Contracts (FTC) with

PCTs and other commissioners for the provision of NHS services. The Foundation Trust will follow the priorities contained within the schedules of the contract, and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the Performance Assessment Framework contained within the FTC
- that FTC builds where appropriate on existing partnership arrangements;

7.3 A good FTC 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 Chief Executive to ensure that the Foundation Trust works with all partner agencies involved in both the delivery and the commissioning of the service required.

7.4 The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board of Directors detailing actual and forecast income from the FTC.

7.5 Non Commercial Contracts

7.5.1 Where the Trust enters into a relationship with another organisation for the supply or receipt of other services – clinical or non-clinical, the responsible officer should ensure that an appropriate non-commercial contract is present and signed by both parties. This should incorporate:

- A description of the service and indicative activity levels
- The term of the agreement
- The value of the agreement
- The lead officers
- Performance and dispute resolution procedures
- Risk management and clinical governance arrangements

7.5.2 Non-commercial contracts should be reviewed and agreed on an annual basis or as determined by the term of the agreement so as to ensure value for money and to minimise the potential loss of income.

8 TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES

8.1 Remuneration Committee

8.1.1 In accordance with Standing Orders the Board of Directors shall establish a Remuneration Committee of non-executive Directors to decide the remuneration and allowances, and the other terms and conditions of office of the chief executive and other executive Directors.

8.1.2 The Committee will:

- a) advise the Board of Directors about appropriate remuneration and terms of service for the Chief Executive and other executive directors, 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 of Directors on the remuneration and terms of service of executive directors (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Foundation Trust - having proper regard to the Foundation Trust's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate;
- c) monitor and evaluate the performance of individual executive directors (and other senior employees); and
- 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.

8.1.3 The Committee shall report in writing to the Board of Directors the basis for its recommendations. The Board of Directors shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of executive directors. Minutes of the Board of Directors meetings should record such decisions.

8.1.4 The Board of Directors will consider material changes presented by the Chief Executive for setting of remuneration and conditions of service for those employees not covered by the Committee.

8.1.5 The Governors Council, at the General Meeting will decide the remuneration and allowances, and the other terms and conditions of office of the Non-executive Directors.

8.1.6 Expenses of the Chair, Non-Executive Directors and Chief Executive must be authorised as follows:-

- Expenses of the Chair – authorised by the Director of Finance, Digital & Estates. In the absence of the Director of Finance, Digital & Estates, authorisation will be by the Chief Executive.
- Expenses of Non-Executive Directors – authorised by the Chair. In the absence of the Chair, authorisation will be by the Vice Chair.
- Expenses of the Chief Executive – authorised by the Chair. In the absence of the Chair, authorisation will be by the Vice Chair.

8.2 Funded Establishment

8.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

8.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

8.3 Staff Appointments

8.3.1 No Executive Director 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:

- a) unless authorised to do so by the Chief Executive; and
- b) within the limit of his approved budget and funded establishment as defined in the Scheme of Reservation and Delegation.

8.3.2 The Remuneration Committee will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.

8.4 Processing Of The Payroll

8.4.1 The Director of Finance, Digital & Estates is responsible for:

- a) specifying timetables for submission of properly authorised time records and other notifications;
- b) the final determination of pay and allowances; including verification that the rates of pay and relevant conditions of service are in accordance with current agreements.
- c) making payment on agreed dates; and
- d) agreeing method of payment.

8.4.2 The Director of Finance, Digital & Estates will issue instructions regarding the following:

- a) verification and documentation of data;

- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- d) security and confidentiality of payroll information;
- e) checks to be applied to completed payroll before and after payment;
- f) authority to release payroll data under the provisions of the Data Protection Act;
- g) methods of payment available to various categories of employee;
- h) procedures for payment by cheque, bank credit, or cash to employees;
- 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; and
- m) a system to ensure the recovery from leavers of sums of money and property due by them to the Foundation Trust.

8.4.3 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 instructions and in the form prescribed by the Director of Workforce and Organisation Development; and
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Workforce and Organisation Development must be informed immediately. In circumstances where fraud might be expected this must be reported to the Director of Finance, Digital & Estates, and the Local Counter Fraud team.

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

8.5 Contracts Of Employment

8.5.1 The Board shall delegate responsibility to an officer for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board of Directors and which complies with employment and Health & Safety legislation; and
- b) dealing with variations to, or termination of, contracts of employment.

9 NON-PAY EXPENDITURE

9.1 Delegation of Authority

9.1.1 The Board of Directors will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

9.1.2 The Chief Executive will set out:

- a) the list of managers 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.

The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

9.2 Choice, Requisitioning, Ordering, Receipt And Payment For Goods And Services

9.2.1 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 Foundation Trust. In so doing, the advice of the Procurement Department must be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance, Digital & Estates (and/or the Chief Executive) shall be consulted.

9.2.2 System of Payment and Payment Verification

The Director of Finance, Digital & Estates shall be responsible for the prompt payment of properly authorised accounts and claims in accordance with the Better Payment Practice Code (BPPC). Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

9.2.3 The Director of Finance, Digital & Estates will:

- a) advise the Board of Directors 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 Scheme of Reservation and Delegation and regularly reviewed;

- b) prepare procedural instructions where not already provided in the Scheme of Delegation or procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds;
- 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. The system shall provide for:
 - i) A list of directors/employees (including specimens of their signatures) authorised to approve or incur expenditure.
 - ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
 - iii) A timetable and system for submission to the Director of Finance, Digital & Estates 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, (except as below).

9.2.4 Prepayments

Prepayments outside of normal commercial arrangements for example fully comprehensive maintenance contracts, rental, insurance, are only permitted where exceptional circumstances apply. In such instances:

- a) prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cashflows must be discounted to NPV);
- 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 Foundation Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- c) the Director of Finance, Digital & Estates 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 he/she must immediately inform the appropriate Director or Chief Executive if problems are encountered.

9.2.5 Official Orders

Where Official Orders are required, they must:

- a) be consecutively numbered;
- b) be in a form approved by the Director of Finance, Digital & Estates;
- c) state the Foundation Trust terms and conditions of trade; and
- d) only be issued to, and used by, those duly authorised by the Chief Executive.

9.2.6 Duties of Managers and Officers

Managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance, Digital & Estates and that:

- a) all contracts (other than for purchases permitted within the Scheme of Delegation or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance, Digital & Estates in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU and GATT rules on public procurement and comply with the White Paper on Standards, Quality and International Competitiveness (CMND 8621);
- c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with good practice guidance issued by the Department of Health;

Where an officer certifying accounts relies upon other officers to do preliminary checking, he/she shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.

- 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;
- e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance, Digital & Estates on behalf of the Chief Executive;
- 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 or on purchasing cards;
- g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive 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) goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future un-competitive purchase;
- j) changes to the list of directors/employees authorised to certify invoices are notified to the Director of Finance, Digital & Estates;
- k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance, Digital & Estates;
- l) petty cash records are maintained in a form as determined by the Director of Finance, Digital & Estates;

9.2.7 The Chief Executive and Director of Finance, Digital & Estates shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with current Department of Health procurement guidance. The technical audit of these contracts shall be the responsibility of the relevant Director.

9.2.8 Under no circumstances should goods be ordered through the Foundation Trust for personal or private use.

9.3 Joint Finance Arrangements With Local Authorities And Voluntary Bodies

9.3.1 Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act shall comply with procedures laid down by the Director of Finance, Digital & Estates which shall be in accordance with these Acts.

10 TENDERING AND CONTRACTING

10.1 Duty To Comply With Standing Orders And Standing Financial Instructions

The procedure for making all contracts by or on behalf of the Foundation Trust shall comply with the Standing Orders (SOs) and Standing Financial Instructions (SFIs) (except where suspension of standing orders is applied).

10.2 EU Directives Governing Public Procurement

10.2.1 Directives by the Council of the European Union promulgated by the Department of Health (DoH) (under HSG(95)38) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the SOs and SFIs. Procedure notes detailing EU thresholds and the differing procedures to be adopted must be maintained within the Foundation Trust.

10.2.2 The Foundation Trust shall comply as far as is practicable with the requirements of Monitor guidance and and Department of Health guidance.

10.3 Reverse e-Auctions

The Foundation Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse Auctions. For further guidance on Reverse e-Auctions refer to www.ogc.gov.uk.

10.4 Formal Competitive Tendering

The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estate code" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health.

10.5 Formal Competitive Tendering

10.5.1 General Applicability

The Foundation Trust shall ensure that competitive tenders are invited for:

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

10.5.2 Health Care Services

Where the Foundation Trust elects to invite tenders for the supply of healthcare these SOs and SFIs shall apply as far as they are applicable to the tendering procedure.

10.5.3 Exceptions and Instances where Formal Tendering need not be Applied

Formal tendering procedures are not required where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed the limit set in the Scheme of Reservation and Delegation, (this figure to be reviewed annually);
- b) the NHS Supply Chain is used for procurement of goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented. Where tenders or quotations are not required, because expenditure is below the levels defined in the Scheme of Reservation and Delegation, the Foundation Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance, Digital & Estates.
- c) the requirement is ordered under existing contracts.

Formal quotation or tendering procedures may be waived in the following circumstances. **NB – Waiver is not allowed for contracts above the EU regulation limit**

- d) in very exceptional circumstances where the Chief Executive decides that formal quotation or 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 timescale genuinely precludes competitive quotation or tendering (not above EU thresholds) but failure to plan the work properly would not be regarded as a justification for a single tender;
- f) where specialist expertise is required and is available from only one source – After agreement with the Procurement Department;

The waiving of competitive quotation or tendering procedures can only be done after agreement with Procurement services to avoid exposing the Trust to legal challenges.

Where it is decided that competitive quotation or 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 & Risk Committee at each meeting.

10.6 Fair And Adequate Competition

The Foundation Trust will send invitations to tender to a minimum of 3 firms/individuals to provide fair and adequate competition as appropriate. However good practice must be followed at all times and appropriate advertising of contractual opportunities must be carried out.

10.7 List Of Approved Firms

Under EU regulations, the Trust should not maintain Lists of Approved Firms. These regulations do not preclude the Trust from accessing Government Framework Agreements where full tendering exercises are completed and contracts awarded to multiple suppliers. Please note that all national frameworks now require mini competitions to be carried out now.

10.8 Building And Engineering Construction Works

Competitive Tendering cannot be waived for building, engineering construction works and maintenance.

10.9 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 Chief Executive, and be recorded in an appropriate Foundation Trust record.

10.10 Contracting/Tendering Procedure

10.10.1 Invitation to tender

- a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- b) All invitations to tender shall state that no tender will be accepted unless:
 - submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Foundation 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 Chief Executive or nominated Manager;
 - 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.
- c) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- d) Every tender for building or engineering works (except for maintenance work, when Estatecode 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.

- e) All tenders (except those issued by Estates for capital works) must be issued via the Procurement Department.

10.10.2 Receipt and safe custody of tenders

The Chief Executive 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.

10.10.3 Opening tenders and Register of tenders

- a) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened in accordance with the Scheme of Reservation and Delegation of Powers. Individuals opening the tenders must not be from the originating department.
- b) The 'originating' Department will be taken to mean the department sponsoring or commissioning the tender.
- c) The involvement of Finance Department staff in the preparation of a tender proposal will not preclude the Director of Finance, Digital & Estates or any approved Senior Manager from the Finance Department from serving as one of the two senior managers to open tenders.
- d) 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 Foundation Trust's Company Secretary will count as a Director for the purposes of opening tenders.

- e) Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- f) A register shall be maintained by the Chief Executive, 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 opened;
 - the persons present at the opening;

- the price shown on each tender;
- a note where price alterations have been made on the tender.

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.

- g) 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.

10.10.4 Admissibility

- a) 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 Chief Executive.
- b) Where only one tender is sought and/or received, the Chief Executive and Director of Finance, Digital & Estates shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Foundation Trust.

10.10.5 Late tenders

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

10.10.6 Acceptance of formal tenders

The award of a contract is either on the basis of “lowest price” or various criteria for determining which is the “most economically advantageous tender (MEAT)” to the purchaser. Government policy is to use the latter criterion, as this is consistent with the obligation to achieve value for money

- a) 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.

- b) The lowest tender, if payment is to be made by the Foundation Trust, or the highest, if payment is to be received by the Foundation 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:

- experience and qualifications of team members;
- understanding of client's needs;
- feasibility and credibility of proposed approach;
- 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.

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

10.10.7 Tender reports to the Board of Directors

Reports to the Board of Directors will be made on an exceptional circumstance basis only.

10.10.8 Establishing the competence of Firms submitting Tenders or Quotations

A manager nominated by the Chief Executive shall on behalf of the Foundation Trust ensure that firms who have submitted a tender or quotation satisfy the Trust's technical and financial competences.

- a) Building and Engineering Construction Works

The Trust should ensure that firms submitting tenders follow industry good practice and as a minimum:

- (i) All suppliers should work to the Foundation Trust's terms and conditions of contract.

(ii) The Trust should confirm that firms tendering for work 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, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and/or related 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.

b) Financial Standing and Technical Competence of Contractors

(i) The Director of Finance, Digital & Estates may make or institute any enquiries they deems appropriate concerning the financial standing and financial suitability of approved contractors.

(ii) The Director with lead responsibility for clinical governance may make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

10.11 Quotations

10.11.1 General position re quotations

Quotations are required where formal tendering procedures are:

- a) not applied,
- b) not required and where the intended expenditure or income exceeds, or
- c) reasonably expected to exceed the limit defined in the Scheme of Reservation and Delegation.

10.11.2 Competitive Quotations

- a) Where quotations are required they should be obtained from at least two firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Board.
- b) Quotations should be in writing unless the Chief Executive or his 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. A permanent record should be retained for all quotations.
- c) All quotations should be treated as confidential and should be retained for inspection.

- d) The Chief Executive or his nominated officer should evaluate the quotations and select the one, 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.

10.11.3 Non-Competitive Quotations

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

- a) 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;
- b) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- c) miscellaneous services, supplies and disposals;
- d) 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.

10.11.4 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 Foundation Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Finance, Digital & Estates.

10.12 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 staff as defined in the Scheme of Reservation and Delegation. These levels of authorisation may be varied or changed.

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

10.13 Instances Where Formal Competitive Tendering Or A 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 NHS Supply Chain for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- b) the Trust does not use the NHS Supply Chain - where tenders or quotations

are not required, because expenditure is below £1,000.

10.14 Private Finance

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 Chief Executive 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 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.

10.15 Compliance Requirements for All Contracts

10.15.1 The Foundation Trust may only enter into contracts within its statutory powers delegated to it and shall comply with:

- a) the Foundation Trust's SOs;
- b) the Foundation Trust's SFIs;
- c) EU Directives and other statutory provisions;
- d) any relevant directions including the Capital Investment Manual, Estate code and guidance on the Procurement and Management of Consultants;
- e) such of the NHS Standard Contract Conditions as are applicable;
- 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 Foundation Trust, the Board shall endeavour to obtain best value for money. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Foundation Trust. Contracts must be authorised in accordance with the Scheme of Reservation and Delegation.

10.16 Personnel And Agency Or Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into contracts for the employment of other officers, to authorise re-grading of

staff, and enter into contracts for the employment of agency staff or temporary staff service contracts.

10.17 Healthcare Services Agreements

10.17.1 Healthcare Service Agreements made between two NHS organisations, for example with health authorities for the supply of healthcare services, are subject to the provisions of the NHS and Community Care Act 1990.

10.17.2 The Chief Executive shall nominate officers with power to negotiate for the provision of healthcare services with purchasers of healthcare.

10.18 Disposals

Competitive Tendering or Quotation procedures (dependant on estimated value and the same competitive process as described above in this section) shall not apply to the disposal of:

- a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;
- b) obsolete or condemned articles and stores;
- c) items to be disposed of with an estimated sale defined in the Scheme of Reservation and Delegation, this figure to be reviewed annually;
- 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 DoH guidance has been issued but subject to compliance with such guidance.

10.19 In-house Services

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

10.19.2 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 Chief Executive or nominated officer/s and specialist.
- b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Director of Finance, Digital & Estates representative. For services having a likely annual expenditure exceeding £ [n], a non-executive director should be a member of the evaluation team.

10.19.3 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.

10.19.4 The evaluation team shall make recommendations to the Board.

10.19.5 The Chief Executive shall nominate an individual to oversee and manage the contract on behalf of the Trust.

10.20 Cancellation of Contracts

10.20.1 Except where specific provision is made in model Forms of Contracts or Standard Schedules of Conditions approved for use within the National Health Service and in accordance with Standing Orders, there shall be inserted in every written contract a clause empowering the Foundation Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor has offered, given or agreed to give, any person any gift, consideration, inducement or reward for obtaining a contract with the Foundation Trust.

10.21 Determination of Contracts for Failure to Deliver Goods or Material

10.21.1 There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Foundation Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good (a) such default, or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

10.22 Applicability of SFIs on Tendering and Contracting to Funds Held in Trust (See SFI No. 17)

These Instructions shall apply to expenditure from Exchequer funds and also to works, services and goods purchased from the Foundation Trust's trust funds.

10.23 The Bribery Act

The Bribery Act 2010 replaces the fragmented and complex offences at common law and in the Prevention of Corruption Acts 1889-1916. It introduces new offences broadly defined below;

- Two general offences of bribery – 1) Offering or giving a bribe to induce someone to behave, or to reward someone for behaving, improperly, and 2)

requesting or accepting a bribe either in exchange for acting improperly, or where the request or acceptance is itself improper;

- The new corporate offence of negligently failing by a company or limited liability partnership to prevent bribery being given or offered by an employee or agent on behalf of that organisation.

All personnel involved in procurement, tendering and contacting activities must be aware of the Bribery Act 2010 and Anti-Bribery Policy, and must ensure that all dealings with other organisations and their staff do not bring them into any breach of the Act that could leave them and/or the Trust open to criminal proceeding.

11 EXTERNAL BORROWING AND CASH INVESTMENTS

11.1 Prudential Borrowing Code

11.1.1 The Foundation Trust must ensure compliance with the Prudential Borrowing Code set by Monitor to limit the amount of borrowing for Foundation Trusts.

11.1.2 The Prudential Borrowing Code will determine the Prudential Borrowing Limit the Foundation Trust must not borrow outside of the limit imposed by Monitor in the Terms of Authorisation. This limit is to be reviewed annually by Monitor.

11.2 Public Dividend Capital

11.2.1 On authorisation as a Foundation Trust the Public Dividend Capital held immediately prior to authorisation continues to be held on the same conditions.

11.2.2 Additional Public Dividend Capital may be made available on such terms the Secretary of State (with the consent of the Treasury) decides.

11.2.3 Draw down of Public Dividend Capital should be authorised in accordance with the mandate held by the Department of Health Cash Funding Team, and is subject to approval by the Secretary of State.

11.2.4 The Foundation Trust shall be required to pay annually to the Department of Health a dividend on its Public Dividend Capital at a rate to be determined from time to time, by the Secretary of State.

11.3 Commercial Borrowing And Investment

11.3.1 The Foundation Trust may borrow money from any commercial source for the purposes of or in connection with its functions.

11.3.2 The Foundation Trust may invest money (other than money held by it as charitable trustee) for the purposes of or in connection with its functions.

11.3.3 The Foundation Trust may also give financial assistance (whether by way of loan, guarantee or otherwise) to any person for the purposes of or in connection with its functions.

11.3.4 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 Chief Executive and Director of Finance, Digital & Estates.

11.3.5 The Director of Finance, Digital & Estates must prepare detailed procedural instructions concerning applications for loans and overdrafts.

11.4 Investment Of Temporary Cash Surpluses

11.4.1 Temporary cash surpluses must be held only in such public and private sector investments as authorised by the Board of Directors.

11.4.2 The Board of Directors is responsible for establishing and monitoring an appropriate investment strategy and Treasury Management policy.

11.4.3 The Director of Finance, Digital & Estates is responsible for advising the Board of Directors on cash investments and shall report periodically to the Board of Directors concerning the performance of cash investments held.

11.4.4 The Trust shall keep in place a working capital facility in line with Monitor guidelines unless, after a review of cash flow forecasts, financial risks and other relevant information, the Board agrees that such a facility is unnecessary. Any such decision should be reviewed at least annually. The working capital facility must be committed (not repayable on demand) for the duration of the contract.

11.4.5 The Director of Finance, Digital & Estates will prepare detailed procedural instructions on cash investment operations and on the records to be maintained. The Foundation Trust's Treasury Management Policy will incorporate guidance from Monitor as appropriate.

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

12.1 Capital Investment

12.1.1 The Chief Executive:

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

12.1.2 For capital expenditure proposals the Chief Executive shall ensure (in accordance with the limits outlined in the Scheme of Delegation):

- a) that a business case 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; and
 - ii) appropriate project management and control arrangements; and
 - iii) the involvement of appropriate Foundation Trust personnel and external agencies; and
- b) that the Director of Finance, Digital & Estates has certified professionally to the costs and revenue consequences detailed in the business case.

12.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of The Department of Health.

12.1.4 The Director of Finance, Digital & Estates shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

12.1.5 The Director of Finance, Digital & Estates shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

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

The Chief Executive shall issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure;
- b) authority to proceed to tender;
- c) approval to accept a successful tender

The Chief Executive will issue a scheme of delegation for capital investment management in accordance the Foundation Trust's Standing Orders.

12.1.5 The Director of Finance, Digital & Estates shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

12.2 Private Finance (See Overlap With SFI No. 10)

The Foundation Trust should normally test for PFI when considering capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

- a) The Director of Finance, Digital & Estates shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- b) A business case must be referred to the DOH Private Finance Unit (PFU), as appropriate (for example if a 'Deed of Safeguard' is required), for approval or treated as per current guidelines. The Foundation Trust must follow the guidance contained in the Monitor "Significant Investment"

guidance. Any investment over a certain size must be reported to Monitor who will assess the impact on our risk rating, which may ultimately preclude the Foundation Trust from progressing the PFI.

- c) The proposal must be specifically agreed by the Foundation Trust in the light of such professional advice as should reasonably be sought in particular with regard to vires.
- d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

12.3 Asset Registers

12.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance, Digital & Estates 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.

12.3.2 The Foundation Trust shall maintain an Asset Register recording fixed assets to enable financial reporting in accordance with the requirements of current accounting standards.

12.3.3 Additions to the fixed Asset Register must be clearly identified to an appropriate Division 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; and
- c) lease agreements in respect of assets held under a finance lease and capitalised.

12.3.4 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).

12.3.5 The Director of Finance, Digital & Estates shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed Asset Registers.

12.3.6 The value of each asset shall be accounted for as per current accounting standards, and guidance issued by Monitor.

12.4 Security Of Assets

12.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.

Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance, Digital & Estates. 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; and
- g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

12.4.2 All significant discrepancies revealed by verification of physical assets to fixed Asset Register shall be notified to the Director of Finance, Digital & Estates.

12.4.3 Whilst each employee has a responsibility for the security of property of the Foundation Trust, it is the responsibility of directors 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 of Directors. Any breach of agreed security practices must be reported in accordance with instructions.

12.4.4 Any damage to the Foundation Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.

12.4.5 Where practical, assets should be marked as Foundation Trust property.

13 STOCK, STORES AND RECEIPT OF GOODS

13.1 General Position

13.1.1 Stocks are defined as those goods normally utilised in day to day activity, but which at a given point in time have not been used or consumed. There are three broad types of store:-

- a) **Controlled stores** - specific areas designated for the holding and control of goods;
- b) **Wards & departments** - goods required for immediate usage to support operational services.
- c) **Manufactured Items** - where goods and consumables are being made or processes are being applied which add to the raw material cost of the goods.

13.1.2 Such stocks should be kept to a minimum and for;

- a) controlled stores and other significant stores should be subjected to an annual stocktake or perpetual inventory procedures; and
- b) valued at the lower of cost and net realisable value.

13.2 Control of Stores, Stocktaking, Condemnations and Disposals

13.2.1 Subject to the responsibility of the Director of Finance, Digital & Estates for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. 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 Director of Finance, Digital & Estates. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer.

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

13.2.3 The Director of Finance, Digital & Estates shall approve procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

13.3 Receipt of Goods

A delivery note shall be obtained from the supplier at the time of delivery and shall be signed by the person receiving the goods. All goods received shall be checked, by the appropriate department, as regards quantity and/or weight and inspected as to quality and specification. Instructions shall be issued to staff covering the procedures to be adopted in those cases where a delivery note is not available.

All goods received shall be entered onto an appropriate goods received/stock record (whether a computer or manual system) on the day of receipt. If goods received are unsatisfactory, the records shall be marked accordingly. Further, where the goods received are found to be unsatisfactory or short on delivery, they shall only be accepted on the authority of the designated officer and the supplier shall be notified immediately.

13.4 Goods supplied by NHS Logistics

For goods supplied via the NHS Purchasing and Supplies Agency central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note to satisfy themselves that the goods have been received. The Finance Department will make payment on receipt of an invoice. This may also apply for high-level low volume items such as stationery.

14 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

14.1 Disposals And Condemnations

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

14.1.2 When it is decided to dispose of a Foundation Trust asset, the authorising officer (as determined by capital authorisation limits) will determine and advise the Director of Finance, Digital & Estates of the estimated market value of the item, taking account of professional advice where appropriate.

14.1.3 All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance, Digital & Estates;
- b) recorded by the authorising officer in a form approved by the Director of Finance, Digital & Estates 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 Director of Finance, Digital & Estates.

14.1.4 The authorising officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance, Digital & Estates who will take the appropriate action.

14.2 Losses And Special Payments

14.2.1 The Director of Finance, Digital & Estates must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

14.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their directorate manager or head of department, who must immediately inform the Director of Finance, Digital & Estates who will liaise with the Chief Executive or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the Director of Finance, Digital & Estates who will liaise with the Chief Executive.

Where a criminal offence is suspected, the Director of Finance, Digital & Estates must immediately inform the police if theft or arson is involved. In cases of fraud or corruption or of anomalies which may indicate fraud or corruption, the Director of Finance, Digital & Estates must inform their Local Counter Fraud Officer who will inform the relevant CFSMS regional team **before** any action is taken and reach agreement how the case is to be handled.

The Director of Finance, Digital & Estates must notify Counter Fraud and Security Management Service and the external auditor of all frauds.

14.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial the Director of Finance, Digital & Estates must immediately notify:

- a) the Board of Directors,
- b) the external auditor, and
- c) Counter Fraud and Security Management Service (through the Local Counter Fraud Officer).

14.2.4 The Audit & Risk Committee shall approve the writing-off of all losses and special payments in accordance with the Scheme of Delegation.

14.2.5 The Director of Finance, Digital & Estates shall be authorised to take any necessary steps to safeguard the Foundation Trust's interests in bankruptcies and company liquidations.

14.2.6 For any loss, the Director of Finance, Digital & Estates should consider whether any insurance claim can be made.

14.2.7 The Director of Finance, Digital & Estates shall maintain a Losses and Special Payments Register in which write-off action is recorded.

14.2.8 All losses and special payments must be reported to the Audit & Risk Committee at every meeting.

14.3 Compensation Claims

14.3.1 The Foundation Trust is committed to effective and timely investigation and response to any claim which includes allegations of clinical negligence, employee and other compensation claims. The Foundation Trust will follow the requirements and note the recommendations of the Department of Health, and the NHS Litigation Authority (NHSLA) in the management of claims. Every member of staff is expected to co-operate fully, as required, in assessment and management of each claim.

14.3.2 The Foundation Trust will seek to reduce the incidence and adverse impact of clinical negligence, employee and other litigation by:-

- Adopting prudent risk management strategies including continuous review.
- Implementing in full the NHS Complaints Procedure, thus providing an alternative remedy for some potential litigants.
- Adopting a systematic approach to claims handling in line with the best current and cost effective practice.
- Following guidance issued by the NHSLA relating to clinical negligence.
- Achieving the Standards for Better Health.
- Implementing an effective system of Clinical Governance

14.3.3 The Company Secretary is responsible for clinical negligence: for managing the claims process and informing the Foundation Trust Board of Directors of any major developments on claims related issues.

15 INFORMATION TECHNOLOGY

15.1 Responsibilities And Duties Of The Director of Finance, Digital & Estates

15.1.1 The Director of Finance, Digital & Estates, who is responsible for the accuracy and security of the computerised financial data of the Foundation Trust, shall:

- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Foundation Trust's data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 (updated 2000) and the Computer Misuse Act 1990.
- 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 adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent via transmission networks.
- e) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he/she may consider necessary are being carried out.

15.1.2 The Director of Finance, Digital & Estates shall 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 will be obtained from them prior to implementation.

15.1.3 The Director of Finance, Digital & Estates 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.

15.2 Responsibilities and Duties of Other Directors and Officers in Relation to Computer Systems of a General Application

15.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of NHS Organisations in the Strategic Health Authority wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance, Digital & Estates:

- 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.

15.3 **Contracts for Computer Services with Other Health Bodies or Outside Agencies**

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

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

15.4 **Requirement For Computer Systems Which Have An Impact On Corporate Financial Systems**

Where computer systems have an impact on corporate financial systems the Director of Finance, Digital & Estates shall satisfy them self 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) Director of Finance, Digital & Estates staff have access to such data; and
- d) such computer audit reviews as are considered necessary are being carried out.

15.5 **Risk Assessment**

15.5.1 The Director of Finance, Digital & Estates shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

- 15.5 .2 The Foundation Trust shall participate in the national programme for information technology (NPfIT) in accordance with any guidance issued by Monitor.

16 PATIENTS' PROPERTY

- 16.1 The Foundation 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.
- 16.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
- notices and information booklets,
 - hospital admission documentation and property records,
 - the oral advice of administrative and nursing staff responsible for admissions,
- that the Foundation Trust will not accept responsibility or liability for patients' property brought into its premises, unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt.
- 16.3 The Director of Finance, Digital & Estates must approve 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. The said instructions shall cover the necessary arrangements for withdrawal of cash or disbursement of money held in accounts of patients who are incapable of handling their own financial affairs. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 16.4 Where Department of Health instructions require the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Director of Finance, Digital & Estates.
- 16.5 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.
- 16.6 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.

- 16.7 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.

17 FUNDS HELD ON TRUST

17.1 Corporate Trustee

- (1) Standing Order No. 2.8 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 4.9.3 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 Foundation Trust funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

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

17.2 Accountability To Charity Commission And Secretary Of State For Health

- (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 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.

17.3 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.
- (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.

18 ACCEPTANCE OF GIFTS AND HOSPITALITY BY STAFF

18.1 The Director of Finance, Digital & Estates shall ensure that all staff are made aware of the Foundation Trust policy on acceptance of gifts and other benefits in kind by staff. This policy should follow the guidance contained in the Department of Health Standards of Business Conduct for NHS Staff and is also deemed to be an integral part of the Standing Orders and Standing Financial Instructions.

19 RETENTION OF DOCUMENTS

19.1 Context

All NHS records are public records under the terms of the Public Records Act 1958 section 3 (1) – (2). The Secretary of State for Health and all NHS organisations have a duty under this Act to make arrangements for the safe keeping and eventual disposal of all types of records. In addition, the requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000 must be achieved.

19.2 Accountability

The Chief Executive and senior managers are personally accountable for records management within the organisation. Additionally, the organisation is required to take positive ownership of, and responsibility for, the records legacy of predecessor organisations and / or obsolete services. Under the Public Records Act all NHS employees are responsible for any records that they create or use in the course of their duties. Thus any records created by an employee of the NHS are public records and may be subject to both legal and professional obligations.

The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in Department of Health guidance, Records Management Code of Practice.

19.3 Types of Record Covered by The Code of Practice

The guidelines apply to NHS records of all types (including records of NHS patients treated on behalf of the NHS in the private healthcare sector) regardless of the media on which they are held:

- Patient health records (electronic or paper based)
- Records of private patients seen on NHS premises;
- Administrative records (including e.g. personnel, estates, financial and accounting records, notes associated with complaint-handling);
- Photographs, slides and other images;
- Microform (i.e. fiche / film)
- Audio and video tapes, cassettes, CD-ROM etc.

- Emails;
 - Computerised records;
 - Scanned records;
 - Text messages (both out-going from the NHS and in-coming responses from the patient)
- 19.4 The documents held in archives shall be capable of retrieval by authorised persons.
- 19.5 Documents held in accordance with the Records Management Code of Practice shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

20 RISK MANAGEMENT AND INSURANCE

20.1 Programme of Risk Management

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

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 a Statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

20.2 Insurance

20.2.1 The Chief Executive shall ensure that insurance arrangements exist in accordance with the risk management programme.

The Board shall decide if the Foundation Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority, obtain commercial insurance 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.

Arrangements to be followed by the Board of Directors in agreeing Insurance cover

20.2.2 Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority or obtain commercial insurance the Company Secretary shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Operations and Executive Nurse shall ensure that documented procedures cover these arrangements.

20.2.3 Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority or obtain commercial insurance, the Director of Finance, Digital & Estates 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 Company Secretary 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.

20.2.4 All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Company Secretary should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Insurance arrangements with commercial insurers

20.2.5 As a Foundation Trust the Board need to consider the adequacy of insurance cover recognising the Public Benefit Corporation status. Foundation Trust's may decide to enter into top-up commercial insurance arrangements, for example:

- Directors and Officers Liability
- Property Damage
- Private Finance Initiatives
- Motor vehicle insurance
- Business interruption (Increased Cost of Working and Loss of Income)

Other as agreed by the Board of Directors

7 TRAINING

Policy is distributed to all budget holders

8 MONITORING COMPLIANCE WITH THIS POLICY

The table below outlines the Trusts' monitoring arrangements for this policy/document. The Trust reserves the right to commission additional work or change the monitoring arrangements to meet organisational needs.

Aspect of compliance or effectiveness being monitored	Monitoring method	Individual responsible for the monitoring	Frequency of the monitoring activity	Group / committee which will receive the findings / monitoring report	Group / committee / individual responsible for ensuring that the actions are completed
Compliance with Standing Orders and Standing Financial Instructions, including the delegation of certain tasks and limits to officers of the Trust Waiver of Standing Orders are approved	Notifications provided to Finance Dept. by individual Officers Waiver of standing Orders can only be agreed by Chief Executive	Head of Financial Services	Each meeting	Report submitted to the Audit & Risk Committee providing details of any waiver of Standing Orders	Audit & Risk Committee

9 REFERENCES/ BIBLIOGRAPHY

None

10 RELATED TRUST POLICY/PROCEDURES

POL/002/043 – Procurement Policy
POL/003/004 – Charitable Funds Policy

Policy Title: Reservation and Delegation of Powers,
and Standing Financial Instructions v2

POL/003/005 – Treasury Management Policy

APPENDIX 1 - WAIVER OF STANDING ORDERS, AND STANDING FINANCIAL INSTRUCTIONS

PROCEDURE NOTE AND WAIVER FORM

1. INTRODUCTION

The Trust's Standing Orders, Reservation & Delegation of Powers, and Standing Financial Instructions Policy (SOs/SFIs) should be followed by all staff at all times. However, there are some circumstances where a waiver of formal competitive tendering or quotation procedures may be applied.

The following procedure note sets out the Trust requirements and the circumstances when a waiver of SOs/SFIs can be obtained, and should be read in conjunction with the current policy contained on the Trust's intranet.

2. ROLES AND RESPONSIBILITIES OF MANAGERS, DIRECTORS AND THE PROCUREMENT DEPARTMENT

All waivers must be authorised by either the Chief Executive or Director of Finance, Digital & Estates using the attached waiver form.

Before seeking authority to waive SOs/SFIs the manager should discuss the proposed purchase and waiver with their own Director or Deputy Director first. The waiver form must be signed by the Director or Deputy Director to evidence their support of the waiver.

This does not constitute an authorisation to progress the order.

The form and all relevant/supporting documentation must be provided to the Trust's Senior Buyer or Head of Financial Services. They will review the waiver request to determine if it is appropriate that a proper Procurement process is not undertaken and that the reason for the waiver is valid and will not expose the Trust to a legal challenge.

This does not constitute an authorisation to progress the order.

It is the responsibility of the manager intending to procure the goods or services to fully complete the waiver form, and ensure that authority to waive SOs/SFIs is agreed in advance of any contract being signed or purchase made.

3. RECORDING AND REPORTING REQUIREMENTS

Following approval of the waiver request, details will be reported to the Audit & Risk Committee each time it meets.

4. TENDERING PROCESS/CIRCUMSTANCES FOR WAIVERS

Please review the following sections of SOs/SFIs:-

- Reservation & Delegation of Powers (Section 34) for current quotation, tendering, and waiver limits.
- Standing Financial Instructions (Section 10)

Quotation, Tendering, and Waiver Limits are as follows:-

DELEGATED FINANCIAL MATTER	DELEGATED LIMIT	DELEGATED TO
Obtain a minimum of two competitive quotations for goods / services.	Up to £6,000	Budget holder, or Head of Procurement
Obtain a minimum of three competitive quotations for goods / services.	£6,001 to £25,000	Budget holder, Project Manager & Head of Procurement
Competitive tenders required for goods / services	£25,001 to 80% of EU procurement threshold	Budget holder, Project Manager & Head of Procurement
Full EU (OJEU) procurement process required for goods & services	Above 80% of EU procurement threshold	Budget holder, Project Manager , Head of Procurement, & Finance Lead
Waiving requirements of quotation or single tender	Up to 80% of EU procurement threshold	Chief Executive or Director of Finance, Digital & Estates

- 1 Formal quotation or tendering procedures may only be waived in the following circumstances, and after approval in accordance with the process set out in this document.
- 2 **NB – Waiver is not allowed for contracts above 80% of the EU regulation limit**
 - g) in very exceptional circumstances where the Chief Executive or Director of Finance, Digital & Estates decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures;
 - h) where the timescale genuinely precludes competitive tendering (not above EU thresholds) but failure to plan the work properly would not be regarded as a justification for a single tender;
 - i) where specialist expertise is required and is available from only one source

Please Note: The waiving of quotations or 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.

5. WHEN WOULD A WAIVER FORM NEED TO BE COMPLETED?

- A manager must have requested a waiver prior to entering into any contractual arrangement either verbally or in writing with the relevant company. The waiving of competitive tendering procedures can only be done after agreement with the Trust's Procurement Service to avoid exposing the Trust to legal challenges.
- The waiver should be requested as soon as it becomes apparent to the manager that this process needs to be followed.
- Where applicable, the manager procuring the service must complete a copy of the attached waiver form and request authorisation as set out in Note 2 above. The completed form must then be passed to the Head of Financial Services.

REQUEST FOR WAIVER OF STANDING ORDERS

SECTION 1: DETAILS OF THE REQUEST

Directorate / Budget Name

Supplier Name

Requisition Number, and
Description of Goods
or Services to be purchased

Requisition Number:

Description:

Purchase / Contract Value
(Over life of contract)

£

Quotation Waiver

Tender Waiver

(Tick as appropriate e Quotation / Tender bids)

SECTION 2: CIRCUMSTANCE FOR WAIVER REQUEST

(Please select one of the circumstances a) to c) detailed in the procedure notes – Note 4 above)

- a) Tendering procedures would not be practicable – Progress to Section 3
- b) Timescale genuinely precludes competitive tendering – Progress to Section 4
- c) Specialist expertise is required and is available from only one source – Progress to Section 5

SECTION 3: EVIDENCE TO SUPPORT THE WAIVER REQUEST THAT TENDERING PROCEDURES WOULD NOT BE PRACTICABLE (Insert comments/evidence in support of the Waiver request)

- Please provide additional information to evidence how the Trust will achieve Value for Money from the purchase as a result of this waiver

SECTION 4: EVIDENCE TO SUPPORT THE WAIVER REQUEST THAT TIMESCALE GENUINELY PRECLUDES COMPETITIVE TENDERING (Answer questions, and insert comments/evidence in support of the Waiver request)

- Which Supplier currently provides the goods or service?
- Is the contract due to expire with the above Supplier? **Yes/No** Contract End Date: / /
- If no, what is the reason for changing supplier, and not undertaking a quotation/tender exercise?

- If yes, what are the circumstances that have prevented a quotation/tender exercise being undertaken?

- Please provide additional information to evidence how the Trust will achieve Value for Money from the purchase as a result of this waiver

SECTION 5: EVIDENCE TO SUPPORT THE WAIVER REQUEST THAT SPECIALIST EXPERTISE IS REQUIRED AND IS AVAILABLE FROM ONLY ONE SOURCE (Answer questions, and insert comments/evidence in support of the Waiver request)

- Which Supplier currently provides the goods or service?
- Is the contract due to expire with the above Supplier? **Yes/No** Contract End Date: / /
- Provide a brief outline of why the goods / service are only available from one source.

- What alternatives are there to the goods / service being purchased?

- Please provide additional information to evidence how the Trust will achieve Value for Money from the purchase as a result of this waiver

SECTION 6: SUBMISSION OF WAIVER REQUEST

Request submitted by: (PRINT NAME)

Position:

Signature:

Date:

SECTION 7: RESPONSIBLE DIRECTOR/DEPUTY DIRECTOR WAIVER AGREEMENT

Director/Deputy: (PRINT NAME)

Signature:

Date:

SECTION 8: PROCUREMENT WAIVER AGREEMENT

Procurement Officer: (PRINT NAME)

Signature:

Date:

SECTION 9: CHIEF EXECUTIVE / DIRECTOR OF FINANCE, DIGITAL & ESTATES APPROVAL OF WAIVER REQUEST

Request Approved by: (PRINT NAME)

Signature:

Date:

DOCUMENT CONTROL

Equality Impact Assessment Date	
Sub-Committee & Approval Date	n/a

History of previous published versions of this document:

Version	Ratified Date	Review Date	Date Published	Disposal Date

Statement of changes made from version

Version	Date	Section & Description
Current		<ul style="list-style-type: none"> • Scheme of Delegation Section 32 – delegates authority to Associate Directors of Operations and Associate Chief Operating Officers and Executive Directors to negotiate and sign service contracts up to their expenditure authority limits. Presently this matter is only delegated to the Chief Executive • Executive Director titles have been amended throughout the document, for example Director of Finance is now shown as Director of Finance, Digital & Estates

List of Stakeholders who have reviewed the document

Name	Job Title	Date