

STANDING FINANCIAL INSTRUCTIONS AND SCHEME OF DELEGATION

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1. INTRODUCTION

1.1 General

- 1.1.1 These Standing Financial Instructions (SFIs) are issued to ensure that the Trust's financial affairs are managed in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They are issued, for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).
- 1.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 1.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units, except where those Trading units have adopted different SFIs specific to their circumstances. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Chief Financial Officer.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Chief Financial Officer must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 1.1.5 The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 1.1.6 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Executive as soon as possible.

1.2 Responsibilities and delegation

1.2.1 The Trust Board

The Board exercises financial supervision and control by:

- i) formulating the financial strategy
- ii) requiring the submission and approval of budgets within approved allocations/overall income
- iii) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and
- iv) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and

- v) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

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

1.2.3 The Chief Executive and the Chief Financial Officer

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

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

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

1.2.5 The Chief Financial Officer

The Chief Financial Officers responsible for:

- i) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- ii) 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;
- (iii) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

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

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

1.2.6 Board Members and Employees

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

- (i) the security of the property of the Trust;
- (ii) avoiding loss;

- iii) exercising economy and efficiency in the use of resources;
- iv) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures, Scheme of Delegation, constitution and terms of authorisation

1.2.7 Contractors and their employees

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

- 1.2.8 For all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and employees discharge their duties must be acceptable in the professional opinion of the Chief Financial Officer.

2. AUDIT

2.1 Audit Committee

- 2.1.1 In accordance with Standing Orders, the Board shall formally establish a Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2018 and any subsequent versions), which will provide an independent and objective view of internal control by:

- i) overseeing internal and external audit services;
- ii) reviewing financial and information systems and significant financial reporting judgments;
- iii) review the establishment and maintenance of an effective system of internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- iv) monitoring compliance with Standing Orders and Standing Financial Instructions;
- v) reviewing schedules of losses and compensations and making recommendations to the Board;
- vi) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.

- 2.1.2 It is the responsibility of the Audit Committee to ensure an adequate Internal Audit service is provided and the Chief Financial Officer shall be involved in the selection process when/if an Internal Audit service provider is changed.

- 2.1.3 The Audit Committee has delegated powers to approve the Trust's annual report and accounts.

2.2 Chief Financial Officer

- 2.2.1 The Chief Financial Officers responsible for:

- i) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;

- ii) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
- iii) deciding at what stage to involve the police in cases of misappropriation and other irregularities not including fraud or corruption;
- iv) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee which should allow the Chair to give assurance to the Board. The report must cover:
 - a) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care including for example compliance with audit criteria and standards;
 - b) major internal financial control weaknesses discovered;
 - c) progress on the implementation of internal audit recommendations;
 - d) progress against plan over the previous year;
 - e) strategic audit plan covering the coming three years;
 - f) a detailed plan for the coming year.

2.2.2 The Chief Financial Officer or designated auditors are entitled without necessarily giving prior notice to require and receive:

- i) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- ii) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
- iii) the production of any cash, stores or other property of the Trust under a member of the Board and/or an employee's control; and
- iv) explanations concerning any matter under investigation.

2.3 Role of Internal Audit

2.3.1 Internal Audit shall: (a) provide an independent and objective assessment for the Chief Executive, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance arrangements support the achievement of the Trust's objectives; (b) operate independently of the decisions made by the Trust and its Officers; and of the activities which it audits. No member of the team of the Internal Audit will have executive responsibilities.

2.3.2 Internal Audit shall also issue an independent Head of Internal Audit opinion, which supports the Trust's responsibility to produce an Annual Governance Statement.

2.3.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Financial Officer and the Trust's counter fraud service must be notified immediately.

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

- 2.3.5 The Head of Internal Audit shall be accountable to the Chair of the Audit Committee. The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards (PSIAS). The reporting system shall be reviewed at least every three years.

2.4 External Audit

The External Auditor is appointed by the Council of Governors and paid for by the Trust. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and reported to the Audit Committee and the Council of Governors if the issue cannot be resolved.

2.5 Fraud and Corruption

- 2.5.1 **Fraud:** any person who dishonestly makes a false representation to make a gain for themselves or another, or who dishonestly fails to disclose to person information which they are under a legal duty to disclose, or commits fraud by abuse of position including any offence as defined in the Fraud Act 2006.

- 2.5.2 **Bribery:** Where the trust is engaged in commercial activity it could be considered guilty of a corporate bribery offence if an employee, agent, subsidiary or any other person acting on its behalf bribes another person, intending to obtain or retain business or an advantage in the conduct of business for the Trust and it cannot demonstrate that it has adequate procedures in place to prevent such. The Trust does not tolerate any bribery on its behalf, even if this might result in a loss of business for it. Criminal liability must be prevented at all times.

- 2.5.3 In line with their responsibilities, the Trust Chief Executive and Chief Financial Officer shall monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care on fraud and corruption, primarily using a local risk-based approach to fraud, in conjunction with its Counter Fraud Specialist (CFS).

- 2.5.4 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health and Social Care Counter Fraud and Corruption Manual and guidance.

- 2.5.5 The Counter Fraud Specialist shall report to the Chief Financial Officer and shall work with staff in the NHS Counter Fraud Authority (NHSCFA) in accordance with the Department of Health and Social Care Counter Fraud and Corruption Manual.

- 2.5.6 The Counter Fraud Specialist will provide a written report, at least annually, on counter fraudwork within the Trust.

2.6 Security Management

- 2.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care on NHS security management.

- 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 the Secretary of State for Health and Social Care guidance on NHS security management.

- 2.6.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Security Management Director (SMD) and the appointed Local Security Management Specialist (LSMS).

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

3.1 Preparation and Approval of Plans and Budgets

3.1.1 The Chief Executive will compile and submit to the Board an Annual Operating Plan which takes into account financial targets and forecast income, efficiencies and service developments. The Trust will give information as to its forward planning in respect of each financial year to NHS England. This information will be prepared by the Directors who must have regard to the views of the Council of Governors

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

- i) be in accordance with the aims and objectives set out in the Annual Operating Plan;
- ii) accord with activity and workforce plans;
- iii) be produced following discussion with appropriate budget holders;
- iv) be prepared within the limits of available funds;
- v) identify potential risks.

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

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

3.1.5 All budget holders will participate in the development of their budgets and will sign up to them before the start of the financial year to which the budget relates.

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

3.2 Budgetary Delegation

3.2.1 The Chief Executive may delegate the management of budgets for defined services to the officers responsible for the management of those services. Control of budgets shall be exercised in accordance with these Standing Financial Instructions and supplementary guidance issued by the Chief Financial Officer.

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

3.2.3 Budgets shall be used only for the purpose for which they were provided and any budgeted funds not required for their designated purpose shall revert to the immediate control of the Chief Executive, unless covered by delegated powers of virement.

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 Chief Financial Officer.

3.3 Budgetary Control and Reporting

3.3.1 The Chief Financial Officer will devise and maintain systems of budgetary control.

These will include:

- i) monthly financial reports to the Board and, in detail to the Resources Committee in a form approved by the Board containing:
 - a) income and expenditure to date showing trends and forecast year-end position;
 - b) movements in working capital;
 - c) movements in cash and capital;
 - d) capital project spend and projected outturn against plan;
 - e) explanations of any material variances from plan;
 - f) details of any corrective action where necessary and the Chief Executive's and/or Chief Financial Officer's view of whether such actions are sufficient to correct the situation;
- ii) the issue of timely, accurate and comprehensible advice and financial reports to each budgetholder, covering the areas for which they are responsible;
- iii) investigation and reporting of variances from financial, workload and manpower budgets;
- iv) monitoring of management action to correct variances;
- v) arrangements for the authorisation of budget transfers.

3.3.2 Each Budget Holder is responsible for ensuring that:

- i) any likely overspending or reduction of income which cannot be met by virement in accordance with the Trust's Virement Policy (where applicable) is not incurred without the prior consent of the Board;
- ii) 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;
- iii) no permanent or temporary employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.

3.3.3 The Chief Executive is responsible for identifying and implementing cost savings and income generation initiatives in accordance with the requirements of the Annual Operating Plan and a balanced budget.

3.4 Capital Expenditure

The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Standing Financial Instruction 13).

3.5 Monitoring Returns

The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

4. ANNUAL ACCOUNTS AND REPORTS

4.1 The Chief Financial Officer

The Chief Financial Officer, on behalf of the Trust, will:

- i) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
- ii) prepare and submit annual financial reports to the Independent Regulator certified in accordance with current guidelines;
- iii) submit financial returns to the Independent Regulator for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care;

4.2 Annual Report

The Trust's annual report including the audited annual accounts must be presented to a public meeting and made available to the public. A copy of the annual report and accounts and any report of the external auditor are laid before Parliament and following this, copies of these documents are sent to the Independent Regulator. The Trust's annual report including the audited annual accounts must be presented to the Board of Directors for approval and received by the Council of Governors at a public meeting.

5. BANK ACCOUNTS

5.1 General

5.1.1 The Chief Financial Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ directions issued from time to time by the Department of Health and Social Care.

5.1.2 The Board shall approve the banking arrangements.

5.2 Bank Accounts

The Chief Financial Officer is responsible for:

- i) bank accounts;
- ii) establishing separate bank accounts for the Trust's non-exchequer funds;
- iii) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- iv) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn;
- v) monitoring compliance with Department of Health and Social Care guidance on the level of cleared funds.

5.3 Banking Procedures

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

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

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

5.4 Tendering and Review

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

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

6.1 Income Systems

- 6.1.1 The Chief Financial Officer 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 The Chief Financial Officer is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges

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

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

6.3 Debt Recovery

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

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

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

6.4 Security of Cash, Cheques and other Negotiable Instruments

- 6.4.1 The Chief Financial Officer is responsible for:

- i) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- ii) ordering and securely controlling any such stationery;
- iii) 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;
- iv) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

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

- 6.4.3 All cheques, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Financial

Officer.

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

7. TENDERING AND CONTRACTING PROCEDURE

7.1 Duty to comply with Standing Orders and Standing Financial Instructions

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

7.2 EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health and Social Care prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and Standing Financial Instructions, unless or until regulations change

7.3 Reverse eAuctions

The Trust must have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions should the Trust choose to use this mechanism.

7.4 Department of Health and Social Care Guidance

The Trust shall comply as far as is practicable with the requirements of the Department of Health and Social Care "Estate code" and any other relevant guidance 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 and Social Care guidance "The Procurement and Management of Consultants within the NHS".

7.5 Formal Competitive Tendering

7.5.1 General Applicability

The Trust shall ensure that competitive tenders are invited for:

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

7.5.2 Health Care Services

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instructions 18 and 19.

7.5.3 Exceptions and instances where formal tendering need not be applied:

- i) Formal tendering procedures **need not be applied** where:
- a) the estimated expenditure or income does not, or is not reasonably expected to,

exceed £50,000;

- b) where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care, in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in Standing Financial Instruction 25.
- ii) Formal tendering procedures **may be waived** in the following circumstances:
 - a) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
 - b) where the requirement is covered by an existing contract;
 - c) where Government Procurement Service and NHS Supply Chain agreements are in place and have been approved by the Board. The Trust is expected to utilise regional or national frameworks where they are available;
 - d) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
 - e) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
 - f) where specialist expertise is required and is available from only one source;
 - g) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
 - h) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- iii) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

- iv) The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure;
- v) Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at each meeting.

7.5.4 Fair and Adequate Competition

Where the exceptions set out in Standing Financial Instructions 17.1 and 17.5.3 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having regard to their capacity to supply the

goods or materials or to undertake the services or works required. To ensure transparency, advertising should be considered for all procurements exceeding £10,000.

7.5.5 List of Approved Firms

The Trust shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved framework lists. Where a framework does not exist refer to 7.5.1 and 7.5.3. Where in the opinion of the Chief Financial Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive (see Standing Financial Instruction 7.6.8 List of Approved Firms).

7.5.6 Building and Engineering Construction Works

It is not anticipated that the reasons for waiving formal tendering processes will apply for building and engineering construction works and maintenance and so competitive tenders should be sought in every instance. Where the process has been waived for such a project a specific report will be made to the Trust's Audit Committee by the Chief Financial Officer detailing the reason for the waiver and providing assurance on compliance with EU and other procurement law.

7.5.7 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 Trust record.

7.6 Contracting/Tendering Procedure

7.6.1 Invitation to tender

- i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- ii) All invitations to tender shall state that no tender will be accepted unless submitted via a secure electronic tendering system
- iii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- iv) Every tender for building or engineering works (except for maintenance work, when Estate Code 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 and Social Care guidance and, in minor respects, to cover special features of individual projects.

7.6.2 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.

7.6.3 Opening tenders and Register of tenders

E-Tenders: Access to the E-Tender system is restricted to appropriate Trust

approved officers with password controlled access in accordance with Opening tenders and Register of tenders 7.6.3i.

Tender documents are uploaded into the secure portal, and a time and date for submitting documents is set which enables tenders to be submitted electronically at the specified time.

It is not possible to access tender details prior to the system set specified date and time of opening. This preserves the security of unopened tenders.

A nominated officer from Procurement is selected to release documents on the specified return date or as soon as practical. Access is provided through secure password access.

Once the tender submission closing date and time has elapsed access to the tender box is closed to suppliers. Suppliers cannot upload or alter documents after the closing time.

An audit report detailing the names and details of all documents is electronically available upon request.

In the event that both electronic and conventional tenders are returned at the designated time and of opening then the procedures set out above must be adhered to dependent on the return format. Tenders will be annotated on the opening record to identify the tender return method.

Conventional tenders: as soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Chief Executive and not from the originating department.

The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Trust's Scheme of Delegation.

The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.

The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Chief Financial Officer or any approved Senior Manager from the Finance Directorate from serving as senior managers to open tenders.

All Executive Director "Members" of the Trust Board 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 Trust's Trust Secretary will count as a Director for the purposes of opening tenders.

Every tender received shall be marked with the date of opening and initiated by those present at the opening.

An electronic activity log is maintained within the tendering system that provides information on:

- a) the name of all firms individuals invited;
- b) the names of firms individuals from which tenders have been received;

- c) the date the tenders were opened;
- d) the persons present at the opening;
- e) the price shown on each tender;
- f) 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, will only be considered in exceptional circumstances

7.6.4 Admissibility

i) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.

ii) Where only one tender is sought and/or received, the Chief Executive and Chief Financial Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

7.6.5 Late tenders

The electronic tendering system does not permit the submission of late tenders

7.6.6 Acceptance of formal tenders (See overlap with Standing Financial Instruction 7.7)

- i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of the tender before the award of a contract will not disqualify the tender.
- ii) Tenders shall be awarded to the supplier that best meets the pre agreed evaluation criteria and provides the most economically advantageous tender to the Trust. Such reasons shall be set out in either the contract file, or other appropriate record.

It is accepted that the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- a) experience and qualifications of team members;
- b) understanding of client's needs;
- c) feasibility and credibility of proposed approach;
- d) ability to complete the project on time.
- iii) 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.
- iv) 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.
- v) The use of these procedures must demonstrate that the award of the contract was:
 - a) not in excess of the going market rate / price current at the time the contract was awarded;

- b) that best value for money was achieved.
- vi) All tenders should be treated as confidential and should be retained for inspection.

7.6.7 Tender reports to the Trust Board

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

7.6.8 List of approved firms (see Standing Financial Instruction 8.5.5)

- a) Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and/or related legislation.
- b) 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.

Financial Standing and Technical Competence of Contractors:

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

7.6.9 Exceptions to using approved contractors

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

An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

7.7 Quotations: Competitive and non-competitive

7.7.1 General Position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £49,999.¹

7.7.2 Competitive Quotations

- i) Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- ii) Quotations should be either electronic or in writing unless the Chief Executive or their nominated officer determines that it is impractical to do so in which case quotations

¹ Limits changed, with effect from 1-Apr-13, at a board meeting held on 21-Mar-13

may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

- iii) All quotations should be treated as confidential and should be retained for inspection.
- iv) The Chief Executive or their nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

7.7.3 Non-Competitive Quotations

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

- i) The supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- ii) The supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- iii) Miscellaneous services, supplies and disposals;
- iv) Where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this Standing Financial Instruction (i.e. (i) and (ii) apply).

7.7.4 Quotations to be within Financial Limits

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

7.8 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 relevant stakeholders to the values set out in the Trust's Scheme of Delegation.

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

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

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

- i) where suitable products are available the Trust shall use either NHS Supply Chain, Government Procurement Service or NHS Commercial Solutions 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;
- ii) If the Trust does not use the approved collaborative bodies - where tenders or quotations are not required because expenditure is below £10,000², the Trust shall procure goods and services in accordance with procurement procedures approved

by the Chief Financial Officer.

7.10 Private Finance for capital procurement (see overlap with Standing Financial Instruction 24)

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

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

7.11 Compliance requirements for all contracts

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

- i) The Trust's Standing Orders and Standing Financial Instructions;
- ii) EU Directives, Public Contract Regulations 2015 and other statutory provisions;
- iii) Any relevant directions including the Estate code and guidance on the Procurement and Management of Consultants;
- iv) Such of the NHS Standard Contract Conditions as are applicable;
- v) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
- vi) 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;
- vii) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

7.12 Personnel and Agency or Temporary Staff Contracts

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

7.13 Healthcare Services Agreements (see overlap with Standing Financial Instruction 9)

As a Foundation Trust and being a Public Benefit Corporation (PBC) Contracts with NHS providers for the supply of healthcare services Contracts are legal documents and are enforceable in law.

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

7.14 Disposals (See overlap with Standing Financial Instruction 17)

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

- i) 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 their nominated officer;
- ii) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- iii) items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed on a periodic basis;
- iv) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- v) land or buildings concerning which Department of Health and Social Care guidance has been issued but subject to compliance with such guidance.

7.15 In-house Services

7.15.1 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.

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

- i) Specification group, comprising the Chief Executive or nominated officer/s and specialist;
- ii) In-house tender group, comprising a nominee of the Chief Executive and technical support;
- iii) Evaluation team, comprising normally a specialist officer, a supplies officer and a Chief Financial Officer representative. For services having a likely annual expenditure exceeding £250,000, a Non-Executive Director should be a member of the evaluation team.

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

7.15.4 The evaluation team shall make recommendations to the Board in the form of a contract award recommendation report.

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

7.16 Applicability of Standing Financial Instructions on Tendering and Contracting to funds held in trust (see overlap with Standing Financial Instruction 29)

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

8. NHS CONTRACTS FOR PROVISION OF SERVICES (SEE OVERLAP

WITH STANDING FINANCIAL INSTRUCTION 7.13)

8.1 Contracts

The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services.

All contracts should aim to implement the agreed priorities contained within the Annual Operating Plan 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:

- i) the standards of service quality expected;
- ii) the relevant national service framework (if any);
- iii) the provision of reliable information on cost and volume of services;
- iv) the NHS National Performance Assessment Framework;
- v) that contracts build where appropriate on existing Joint Investment Plans;
- vi) that contracts are based on integrated care pathways.

8.2 Involving Partners and jointly managing risk

A good contract 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 trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the trust can jointly manage risk with all interested parties.

8.3 Department of Health and Social Care Policies and Guidelines

The trust will need to ensure that contracts agreed with partner organisations reflect evolving NHS policies and guidance.

8.4 Reports to Board on commissioner contracts

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the board and appropriate sub-committees detailing actual and forecast income from the commissioner contract. This will include information on costing arrangements.

9. PAY EXPENDITURE

9.1 Funded Establishment

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

9.1.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or nominated officers.

9.2 Staff Appointments

9.2.1 No officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- i) unless the appropriate Director level approvals have been obtained;
 - ii) within the limit of their approved budget and funded establishment.
- 9.2.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.

9.3 Processing Payroll

9.3.1 The Chief Financial Officer, through the outsourced payroll service, is responsible for:

- i) specifying timetables for submission of properly authorised time records and other notifications;
- ii) the final determination of pay and allowances, within the nationally agreed frameworks for pay and as approved by the Local Pay Award Committee;
- iii) making payment on agreed dates;
- iv) agreeing method of payment.

9.3.2 The Chief Financial Officer through the outsourced payroll hub will issue instructions regarding:

- i) verification and documentation of data;
- ii) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- iii) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- iv) security and confidentiality of payroll information;
- v) checks to be applied to completed payroll before and after payment;
- vi) authority to release payroll data under the provisions of the Data Protection Act;
- vii) methods of payment available to various categories of employee and officers;
- viii) procedures for payment by cheque, bank credit, or cash to employees and officers;
- ix) procedures for the recall of cheques and bank credits;
- x) pay advances and their recovery, including for any approved salary finance loan schemes;
- xi) maintenance of regular and independent reconciliation of pay control accounts;
- xii) separation of duties of preparing records and handling cash;
- xiii) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

9.3.3 Appropriately nominated managers have delegated responsibility for:

- i) submitting time records, and other notifications in accordance with agreed timetables;

- ii) completing time records and other notifications in accordance with the Chief Financial Officer's instructions and in the form prescribed by the Chief Financial Officer;
 - iii) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Failure to do so is a disciplinary matter. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Chief Financial Officer must be informed immediately.
- 9.3.4 Regardless of the arrangements for providing the payroll service, the Chief Financial Officer shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

9.4 Contracts of Employment

The Board shall delegate responsibility to an officer for:

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

10. NON-PAY EXPENDITURE

10.1 Delegation of Authority

10.1.1 The Board 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.

10.1.2 The Chief Executive will set out:

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

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

10.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 77).

10.2.1 Requisitioning

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Financial Officer (and/or the Chief Executive) shall be consulted.

10.2.2 System of Payment and Payment Verification

The Chief Financial Officer shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with in accordance with national guidance to pay valid invoices within 30 days of receipt.

10.2.3 The Chief Financial Officer will:

- i) 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 Standing Financial Instructions and regularly reviewed;

- ii) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- iii) be responsible for the prompt payment of all properly authorised accounts and claims, defined nationally as within 30 days of receipt of a valid invoice;
- iv) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for a:
 - a) list of Trust employees (including specimens of their signatures) authorised to certify invoices;
 - b) 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.
 - c) a timetable and system for submission to the Chief Financial Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;
 - d) instructions to employees regarding the handling and payment of accounts within the Finance Department.
 - v) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in Standing Financial Instruction 21.2.4 below.

10.2.4 Prepayments

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

- i) prepayments are only permitted where there is a clear service, safety or business continuity need or where there is a clear financial advantage to doing so. (Where the case is financial cash flows should be discounted to NPV using the National Loans Fund (NLF) rate plus 2%);

- ii) In cases where it is practical and appropriate to do so, the relevant officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;
- iii) the Chief Financial Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- iv) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

10.2.5 Official orders Official Orders must:

- i) be consecutively numbered;
- ii) be in a form approved by the Chief Financial Officer;
- iii) state the Trust's terms and conditions of trade;
- iv) only be issued to, and used by, those duly authorised by the Chief Executive.

10.2.6 Duties of Managers and Officers Managers and officers must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and that:

- i) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Financial Officer in advance of any commitment being made;
- ii) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- iii) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
- iv) 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:
 - a) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars; and
 - b) conventional hospitality, such as lunches in the course of working visits.

(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff")

- v) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Financial Officer on behalf of the Chief Executive;
- vi) 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;

- vii) 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";
- viii) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- ix) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- x) changes to the list of employees and officers authorised to certify invoices are notified to the Chief Financial Officer;
- xi) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Financial Officer;
- xii) petty cash records are maintained in a form as determined by the Chief Financial Officer.

10.2.7 The Chief Executive and Chief Financial Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

10.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order 9.1)

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 Chief Financial Officer which shall be in accordance with these Acts. (See overlap with Standing Order No. 9.1)

11. EXTERNAL BORROWING

- 11.1.1 The Chief Financial Officer shall prepare procedural instructions on the operation of all Commercial Bank accounts, Investments accounts and the Office of the Paymaster General account for the approval by the Executive Committee.
- 11.1.2 The Chief Financial Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued by the Regulator.
- 11.1.3 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 the Chief Financial Officer.
- 11.1.4 The Chief Financial Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 11.1.5 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money, and comply with the Trust's Treasury Management Policy.
- 11.1.6 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Chief Financial Officer. The Board must be made aware of all short-term borrowings at the next Board meeting.

- 11.1.7 All long-term borrowing must be consistent with the plans outlined in the current Annual Operating Plan and be approved by the Trust Board.
- 11.1.8 Assets protected under the Terms of Authorisation shall not be used or allocated for borrowing non-protected assets will be eligible as security for loans.
- 11.1.9 The Board shall approve the Trust's overdraft facility provider, if applicable.
- 11.1.10 All short-term borrowings must be kept to the minimum period of time consistent with the overall cash flow position, represent good value for money, comply with the Trust's Treasury Management Policy and all guidance issued by NHSE.
- 11.1.11 The Trust's overdraft facility may only be used with the pre-approval of the Chief Financial Officer and approval of the Board.
- 11.1.12 Long-term borrowings will only be used to finance longer term Capital or Investment Programmes
- 11.1.13 Long-term borrowings in respect of strategic Capital Projects shall be formally approved by the Board.

11.2 INVESTMENTS

- 11.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.
- 11.2.2 The Chief Financial Officers responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 11.2.3 The Chief Financial Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

12. FINANCIAL FRAMEWORK

[Not Applicable but section from model SFIs left in for completeness.]

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

13.1 Capital Investment

13.1.1 The Chief Executive:

- i) 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;
- ii) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- iii) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

13.1.2 For every capital expenditure proposal the Chief Executive shall ensure compliance with the Trust's Investment Policy:

- i) that a case is produced for the appropriate group as set out in the Trust's Investment Policy setting. The level of detail to be provided is determined by the amount of the investment. For larger schemes (above £50,000);

- a) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - b) the involvement of appropriate Trust personnel and external agencies;
 - c) appropriate project management and control arrangements.
 - ii) the costs and revenue consequences detailed in the business case have been reviewed and approved by the appropriate group of Committee, appropriate to the level of spend.
- 13.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of "Estate code".
- 13.1.4 The Chief Financial Officer shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.
- 13.1.5 The Chief Financial Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 13.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme. For any scheme, approval must be obtained by the appropriate group or Committee, relevant to the level of spend and as defined in the Investment Policy.
- i) specific authority to commit expenditure;
 - ii) authority to proceed to tender (see overlap with Standing Financial Instruction 8.6);
 - iii) approval to accept a successful tender (see overlap with Standing Financial Instruction 17.6).

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with "Estate code" guidance and the Trust's Standing Orders.

- 13.1.7 The Chief Financial Officer shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in Annex C of HSC (1999) 246.

13.2 Private Finance (see overlap with Standing Financial Instruction 8.10)

Where it is a requirement the Trust would test for Private Finance Initiative when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

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

13.3 Asset Registers

- 13.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Financial Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 13.3.2 The Trust shall maintain an asset register recording Property Plant and Equipment. The minimum data set to be held within these registers shall be as specified in the Group Accounting Manual as issued by the Department of Health and Social Care.
- 13.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- i) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - ii) stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - iii) lease agreements in respect of assets held as a Right of Use asset and capitalised.
- 13.3.4 Where fixed 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).
- 13.3.5 The Chief Financial Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 13.3.6 The value of each asset shall be indexed or revalued to current values in accordance with methods specified in the Group Accounting Manual issued by the Department of Health and Social Care.
- 13.3.7 The value of each asset shall be depreciated using methods and rates as specified in the Group Accounting Manual issued by the Department of Health and Social Care.
- 13.3.8 The Chief Financial Officer of the Trust shall calculate and pay PDC dividend charges as specified in the Group Accounting Manual issued by the Department of Health and Social Care.

13.4 Security of Assets

- 13.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 13.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Financial Officer. This procedure shall make provision for:
- i) recording managerial responsibility for each asset;
 - ii) identification of additions and disposals;
 - iii) identification of all repairs and maintenance expenses;
 - iv) physical security of assets;
 - v) periodic verification of the existence of, condition of, and title to, assets recorded;

- vi) identification and reporting of all costs associated with the retention of an asset;
 - vii) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 13.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Financial Officer.
- 13.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 13.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 13.4.6 Where practical, assets should be marked as Trust property.

14. STORES AND RECEIPT OF GOODS

14.1 General position

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

- i) kept to a minimum;
- ii) subjected to annual stock take;
- iii) valued in accordance with the Trust's agreed accounting policies.

14.2 Control of Stores, Stocktaking, condemnations and disposal

- 14.2.1 Subject to the responsibility of the Chief Financial Officer 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 them to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Financial Officer. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 14.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 14.2.3 The Chief Financial Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 14.2.4 Stocktaking arrangements shall be agreed with the Chief Financial Officer and there shall be a physical check covering all items in store at least once a year.
- 14.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Financial Officer.
- 14.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Chief Financial Officer for a review of slow moving and obsolete

items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Chief Financial Officer any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 15 Disposals and Condemnations, Losses and Special Payments. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

14.3 Goods supplied by NHS Supply Chain

For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the finance team who shall satisfy themselves that the goods have been received before accepting the recharge.

15. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

15.1 Disposals and Condemnations

15.1.1 Procedures

- 15.1.2 When it is decided to sell a Trust asset, the Head of Department or authorised deputy will determine the estimated market value of the item, taking account of professional advice where appropriate.

Where that value exceeds £ 10,000 the budget holder must consult with and obtain written authority from the Chief Financial Officer before proceeding.

A budget holder may not dispose of an item for less than the estimated market value except with the written authority of the Chief Financial Officer.

15.2 Losses and Special Payments

15.2.1 Procedures

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

- 15.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Chief Financial Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Financial Officer and/or Chief Executive. Where a criminal offence is suspected, the Chief Financial Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Financial Officer must inform the relevant Counter Fraud Specialist in accordance with Secretary of State for Health and Social Care's Directions.

The Chief Financial Officer must notify the Counter Fraud Specialist of all suspected frauds.

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

- i) the Board;
- ii) the External Auditor.

iii) the LCFS.

15.2.4 The Resources Committee shall approve the writing-off of any losses which are above the thresholds set out in the detailed scheme of delegation.

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

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

15.2.7 The Chief Financial Officer shall maintain adequate records of Losses and Special Payments write-off action is recorded.

15.2.8 All losses and special payments must be reported to the Audit Committee.

16. INFORMATION TECHNOLOGY

16.1 Responsibilities and duties of the Chief Digital and Technology Officer

16.1.1 The Trust's core financial systems Oracle and the payroll Electronic Staff Records systems are outsourced and the Trust has limited control over these other than through contractual arrangements. The Chief Digital and Technology Officer is responsible for the accuracy and security of the computerised financial data and devices which are held at Trust level. For such systems, devices and data that are under the Trust's control the Chief Digital and Technology Office shall:

- i) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the UK Data Protection Act 2018 and the General Data Protection Regulations 2016;
- ii) 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;
- iii) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- iv) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

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

16.1.3 The Trust 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.

16.2 Responsibilities and duties of other Directors and Officers in relation to

computer systems of a general application

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

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

16.3 Contracts for Computer Services with other health bodies or outside agencies

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

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

16.4 Risk Assessment

The Chief Digital and Technology Officer 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.

16.5 Requirements for Computer Systems which have an impact on corporate financial systems

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

- i) systems acquisition, development and maintenance are in line with corporate policies such as a Digital Strategy, NHS Digital policies, National Cyber Security standards and Trust approval requirements (the Design Authority group)
- ii) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- iii) Chief Financial Officer staff have access to such data;
- iv) Such computer audit reviews as are considered necessary are being carried out.

17. PATIENTS' PROPERTY**17.1 Safe Custody**

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

17.2 Informed Before or at Admission

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

- i) notices and information booklets; (notices are subject to sensitivity guidance);

- ii) hospital admission documentation and property records;
- iii) The oral advice of administrative and nursing staff responsible for admissions, that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

17.3 Written Instructions

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

17.4 Opening of Separate Accounts for Patients' Money

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

17.5 When Probate or Letters of Administration are required

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.

17.6 Staff Responsibilities and Duties

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

17.7 Safekeeping for Specific Purposes

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.

18. FUNDS HELD ON TRUST

18.1 Corporate Trustee

18.1.1 Standing Orders outline the Board's responsibilities as a corporate trustee for the management of funds it holds on trust, along with Standing Financial Instruction 18.2 that defines the need for compliance with Charities Commission latest guidance and best practice.

18.1.2 The discharge of the Board's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

18.1.3 The Chief Financial Officer or Nominated Director 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.

18.2 Accountability to Charity Commission and Secretary of State for Health

and Social Care

18.2.1 The trustee responsibilities must be discharged separately and full recognition given to the Board'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.

18.2.2 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.

18.3 Applicability of Standing Financial Instructions to funds held on Trust

18.3.1 In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with Standing Financial Instruction 17.16).

18.3.2 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.

19. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT

19.1.1 The Chief Financial Officer shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in NHS England's 'Managing Conflicts of Interest in the NHS: Guidance for staff and organisations' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with Standing Order 6).

20. PAYMENTS TO INDEPENDENT CONTRACTORS

Not applicable to NHS Trusts.

21. RETENTION OF RECORDS

21.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health and Social Care guidelines.

21.1.2 The records held in archives shall be capable of retrieval by authorised persons.

21.1.3 Records held in accordance with latest Department of Health and Social Care guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

22. RISK MANAGEMENT AND INSURANCE

22.1 Programme of Risk Management

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

The programme of risk management shall include:

- i) a process for identifying and quantifying risks and potential liabilities;
- ii) engendering among all levels of staff a positive attitude towards the control of risk;

- iii) 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;
- iv) contingency plans to offset the impact of adverse events;
- v) audit arrangements including; internal audit, clinical audit, health and safety review;
- vi) a clear indication of which risks shall be insured;
- vii) arrangements to review the Risk Management programme.

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

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

22.2 Insurance arrangements with commercial insurers

The Chief Financial Officer shall ensure that other insurance arrangements exist as appropriate.

23. APPENDIX 1 – RESERVATION AND RELEGATION OF POWERS

DETAILED SCHEME OF DELEGATION

Delegated matters in respect of decision which may have a far-reaching effect or give cause for public concern must be reported to the Chief Executive. The delegation shown below is the lowest level to which authority is delegated. Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Officers as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders.

DELEGATED MATTER	AUTHORITY DELEGATED TO
Financial Control Responsibility of keeping expenditure within budgets At individual budget level (Pay and Non Pay) At Service Director / directorate level At a Trust – wide level	Budget Holders Directors Directors Chief Financial Officer
Maintenance / Operation of Bank Accounts	Chief Financial Officer

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Non Pay Revenue Expenditure - The following limits apply to all non pay revenue expenditure, purchase orders, authorisation of new contracts, authorisation of business cases and also to approval of service developments which may have revenue implications as well as expenditure. There will be occasions where The Board will expect to approve expenditure at a lower level than set out in the limits below, for example if there are key non-financial aspects to the investment decision.</p> <p>The stated annual amounts are the maximum permitted expenditure in any given year over a three year period.</p> <p>No expenditure should be committed without sufficient budget provision.</p> <p>Annual commitments up to £50,000 or total commitment up to £150,000</p> <p>Annual commitments between £50,000 to £250,000, with a maximum total commitment up to £750,000</p> <p>Annual commitments between £250,000 to £500,000, with a maximum total commitment up to £ 1.5 million</p> <p>Annual commitments between £500,000 to £3 million, with a maximum total commitment up to £ 9 million.</p> <p>Annual commitments above £3 million or total commitment above £ 9 million.</p> <p>Where expenditure is defined by a contract, approving expenditure over and above tender price up to 10% or £15k whichever is the higher</p> <p>Where expenditure is defined by a contract, approving expenditure above tender price which is more than 10% or £15k (whichever is higher)</p> <p>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 the limits specified above)</p>	<p>Budget Holders</p> <p>Directors</p> <p>Executive Committee</p> <p>Resources Committee</p> <p>Reserved to the Board</p> <p>Budget holders</p> <p>Chief Financial Officer or Deputy</p> <p>Chief Financial Officer or Deputy</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Capital Schemes The Trust's investment policy gives further detail on the criteria to be applied for approval of capital schemes and the delegated limits. The amounts quoted below apply both to approval of business cases and approval of capital contracts. The amounts also refer to the total value of the capital scheme.</p> <p>Up to £250,000</p> <p>£250,000 to £500,000</p> <p>£500,000 to £1 million</p> <p>Over £1 million</p>	<p>Capital Review Group</p> <p>Executive Committee</p> <p>Resources Committee</p> <p>Trust Board</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Quotation, Tendering & Contract Procedures</p> <p>Obtaining Best Value for Money for goods/services up to £10,000</p> <p>Obtaining 3 written quotations for goods/services from £10,000 to £50,000</p> <p>To waive the SFI requirement to obtain a minimum of 3 tenders for goods/services £50,000 or over</p> <p>To waive the SFI requirement to obtain a minimum of 3 tenders for goods/services £100,000 or over</p> <p>Putting controls in place to ensure compliance with legislative requirements including OJEU</p> <p>Opening Tenders and Quotations</p>	<p>Budget holder</p> <p>Budget holders</p> <p>Chief Financial Officer or Deputy</p> <p>Chief Executive or Nominated Officer</p> <p>Chief Executive or Chief Financial Officer</p> <p>Two people one of whom must be a Director</p> <p>Chief Executive or Nominated Officer/s</p>
<p>Setting of Fees and Charges</p> <p>Private Patient, overseas Visitors, Income Generation and other patient related services</p> <p>Price of NHS Agreements Charges for all NHS Agreements, be they block, cost per case, cost and volume, spare capacity</p>	<p>Chief Financial Officer or Deputy</p> <p>Chief Financial Officer or Deputy</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Engagement of Temporary Staff for Posts on the Agreed Establishment</p> <p>Where aggregate commitment is up to £49,999</p> <p>Where aggregate commitment is over £50,000</p> <p>Where aggregate commitment is over £100,000</p> <p>Booking of Bank, NHSP or Agency Staff, Medical Locums, Nursing Clerical</p>	<p>Budget Holders</p> <p>Area Directors (for clinical services) or Executive Directors (for corporate services) or Deputies</p> <p>Chief Executive and Chief Financial Officer or Deputy</p> <p>Budget Holders</p>
<p>Expenditure on Charitable and endowment funds</p> <p>Up to £2,000</p> <p>From £2,000 to £10,000</p> <p>Over £10,000</p> <p>Over £100,000</p>	<p>Authorised fund holders</p> <p>Chief People Officer or Deputy</p> <p>Charitable Funds Committee</p> <p>Trust Board</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Agreements/Licences</p> <p>Preparation and signature of all tenancy agreements/licenses for all staff subject to Trust Policy on accommodation for staff</p> <p>Extensions to existing leases</p> <p>Letting of premises to outside organisations</p> <p>Approval of rent based on professional assessment</p>	<p>Chief Financial Officer or Nominated Deputy</p> <p>Chief Financial Officer or Nominated Deputy</p> <p>Chief Financial Officer or Nominated Deputy & Chief Executive</p> <p>Chief Financial Officer or Deputy</p>
<p>Condemning & Disposal</p> <p>Disposal of items with purchase price (as new) up to £ 5,000</p> <p>Disposal of items with purchase price above £5,000</p>	<p>Budget Holders</p> <p>Chief Financial Officer or Deputy</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>Losses, Write-off & Compensation All categories of losses and special payments, cash due to theft, fraud, overpayment and overpayment Up to £1,000</p> <p>Up to £25,000</p> <p>Above £25,000</p>	<p>Budget holders</p> <p>Chief Financial Officer</p> <p>Resources Committee</p>
<p>Compensation Payments to staff</p> <p>Up to £5,000</p> <p>From £5,000 to £25,000</p> <p>Above £ 25,000</p>	<p>Chief People Officer</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer and Resources Committee</p>
<p>Write off of irrecoverable debtors</p> <p>Up to £50,000</p> <p>From £50,000 to £250,000</p> <p>Over £250,000</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer and Executive Committee</p> <p>Resources Committee</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO
Reporting of Incidents to the Police: Where a criminal offence is suspected Where a fraud is involved	Duty Manager Chief Financial Officer or Nominated Deputy
Petty Cash Disbursements (not applicable to central Cashiers Office) Expenditure up to £25 per item Expenditure above £25 Reimbursement of patients' monies up to £100 Reimbursement of patients' monies up to £1,000	Petty Cash Holder Budget Holder or Service Manager Service Managers Service Managers and Directors
Receiving Hospitality Applies to both individual and collective hospitality items	Declaration required in Trust's Hospitality Register in accordance with the gifts and hospitality policy
Implementation of Internal and External Audit Recommendations	Chief Financial Officer
Maintenance & Update of Trust Financial Procedures	Chief Financial Officer
Investment of Funds (including Charitable & Endowment Funds)	Chief Financial Officer or Deputy

<p>Personnel & Pay Authority to fill funded post on the establishment with permanent staff Authority to appoint staff to post not on the formal establishment</p> <p>Additional Increments The granting of additional increments to staff within budget upgrading & regrading. All requests for upgrading/regrading shall be dealt with in accordance with Trust Procedure</p> <p>Increases in staff establishments or costs Additional staff to the agreed establishment without specifically allocated finance</p> <p>Pay Authority to complete standing data forms effecting pay, new starters, variations and leavers Authority to complete and authorise positive reporting forms Authority to authorise overtime Authority to authorise travel & subsistence expenses</p> <p>Leave Approval of annual leave Annual leave – approval of carry forward (up to maximum of 5 days or in the case of Ancillary & Maintenance staff as defined in their initial conditions of service) Annual leave – approval of carry over in excess of 5 days but less than 10 days Annual leave – approval to carry forward 10 days or more Special leave arrangements</p> <p>Sick Leave Extension of sick leave on half pay up to three months</p> <p>Return to work part-time on full pay to assist recovery Extension of sick leave on full pay (Chief Executive)</p> <p>Study Leave study leave outside the UK medical staff study leave (UK) all other study leave (UK)</p>	<p>Budget Holders Chief Executive or Chief Financial Officer and Chief People Officer</p> <p>Budget holders in compliance with the relevant HR policies</p> <p>Budget Holders</p> <p>Budget Holders Budget Holders Budget Holders Budget Holders</p> <p>Line Managers Line Managers</p> <p>Head of Service Directors Line Managers and HR Managers</p> <p>Chief Executive and Chief People Officer Executive Directors with advice from HR Chair</p> <p>Chief Medical Officer or applicable Executive Director or deputy</p>
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<p>Removal Expenses, excess rent and house purchases Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at interview)</p> <p>Up to £ 5,000 Above £5,000</p> <p>Grievance Procedure All grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of a Human Resources Officer must be sought when the grievance reaches the level of General Manager.</p> <p>Authorised Car & Mobile Phone Users Requests for new posts to be authorised as car users</p> <p>Requests for new posts to be authorised as mobile telephone users</p> <p>Renewal of Fixed Term Contract</p> <p>Redundancy – Dismissing Officers Ill Health Retirement</p> <p>Decision to pursue retirement on the grounds of ill-health Dismissal</p>	<p>Budget Holders Chief People Officer</p> <p>Executive Directors Executive Directors</p> <p>Executive Directors or Nominated Deputy</p> <p>Line Managers</p> <p>Line Managers</p> <p>Designated Executive Director acting on behalf of the Trust Board (as defined in the Redundancy Policy)</p> <p>Dismissing Officers Dismissing Officers</p>
Authorisation of New Drugs Treatments	Chief Executive, Chief Medical Officer and Medicines Safety and Governance Group
Authorisation of Sponsorship deals	Chief Executive, Chief Medical Officer and Executive Directors
Authorisation of Research Projects	Chief Executive, Chief Medical Officer
Authorisation of Clinical Trials	Chief Executive, Chief Medical Officer

Insurance Policies and Risk Management	Chief Executive, Chief Financial Officer and Chief Medical Officer
Patients & Relatives Complaints Overall responsibility for ensuring that all complaints are dealt with effectively Responsibility for ensuring complaints relating to a directorate are investigated thoroughly Medico – Legal Complaints Co-ordination of their management	Chief Executive or Nominated Deputy Directors and Chief Medical Officer Chief Executive and Chief Medical Officer
Relationships with Press	Associate Director of Communications and Engagement
Infectious Diseases & Notifiable Outbreaks	Infection, Prevention and Control team
Extended Role Activities Approval of Nurses to undertake duties/procedures which can properly be described as beyond the normal scope of Nursing Practice	Chief Executive, Chief Nurse

Patient Services Variation of clinic sessions within existing numbers Outpatients Other All proposed changes in bed allocation and use Temporary Change Permanent change Contract monitoring & reporting	Chief Executive and Directors Service Directors and Heads of Service Service Directors and Heads of Service Service Directors and Heads of Service Chief Executive Chief Financial Officer or Deputy
Facilities for staff not employed by the Trust to gain practical experience Professional recognition, Honorary Contracts & Insurance of Medical Staff Work experience student	Chief People Officer
Review of Fire Precautions	Chief Financial Officer or Associate Director Estates
Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations	Chief Medical Officer and Executive Directors.
Review of Medicines Inspectorate Regulations	Medical Director
Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Chief Financial Officer, Chief Nurse (Chair of Health and Safety Committee)
Review of Trust's compliance with the Data Protection Act	Chief Digital and Technology Officer
Monitor proposals for contractual arrangements between the Trust and outside bodies	Executive Directors.
Review of the Trust's compliance with the Access to Records Act	Chief People Officer
Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL92/60	Chief People Officer and Chief Medical Officer

The keeping of a Declaration of Interests Register	Trust Secretary
Attestation of Sealings in accordance with Standing Orders	Chair/Chief Executive
The keeping of a register of Sealings	Trust Secretary
The keeping of the Hospitality Register	Trust Secretary
Retention of Records	Chief Executive.
Clinical Audit	Chief Medical Officer, Chief Nurse, Service Directors & Quality Improvement Committee.