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VERSION CONTROL

Date	Brief Summary of changes
May 2022	Approval of annual report and accounts delegated to Audit Committee. Approval of Quality Account delegated to Quality Governance Committee
Feb 2023	Changes to Standing Financial Instructions (Sections 6.9.1 and 6.10) relating to procurement.

STANDING ORDERS:

1. INTRODUCTION

1.1. The Standing Orders including the Scheme of Delegation, Standing Financial Instructions, Conflicts of Interest Policy and Counter Fraud, Bribery and Corruption Policy provide a comprehensive regulatory and business framework for the Trust. All directors, and all members of staff, should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfil the dual role of protecting the Trust's interests and protecting the staff from any possible accusation that they have acted less than properly.

2. EXECUTIVE SUMMARY

2.1. Standing Orders govern the way that the Trust, its directors and employees operate. They demonstrate to the public that the Trust is well managed and that we conduct our business with probity, transparency and in accordance with our responsibilities for the stewardship of public funds.

3. POLICY STATEMENT

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

4. DEFINITIONS

Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990, the NHS Act 2006 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in this interpretation and in addition:

- **"Accountable Officer"** means the NHS officer responsible and accountable for funds entrusted to the Trust. They shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- **"Associate Director"** means a person, who is appointed to sit on a committee, sub-committee, officer group or working party appointed by the Trust.
- **"Audit Committee"** means the committee of the Board whose responsibility is to provide assurance to the Board that effective risk management, internal control and governance processes are maintained and that the Trust's activities comply with the law, guidance and codes of conduct governing the NHS. The committee provides a formal independent mechanism for ensuring a co-ordinated approach for achieving sound financial and managerial control.

- **"Board"** means the chairman, executive and non-executive directors of the Trust collectively as a body.
- **"Chairman of the Board (or Trust)"** is the person appointed by the Secretary of State for Health as advised by NHS Improvement to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
- **"Chief Executive"** means the chief officer of the Trust.
- **"Committee"** means a committee appointed by the Trust.
- **"Committee members"** mean those people formally appointed by the Board to sit on and/or chair specific committees.
- **"Commissioning"** means the process for determining the need for and, for obtaining the supply of healthcare and related services by the Trust within available sources
- **"Contracting and procuring"** means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- **"Director of Finance"** means the chief financial officer of the Trust.
- **"Establishment Order"** shall mean the Northampton General Hospital NHS Trust (the Trust) is a statutory body which came into existence on 01 April 1994 under the Northampton General Hospital National Health Service Trust (Establishment) Order 1993 No 2561.
- **"Executive Director"** means the Chief Executive and Directors who are appointed in accordance with the 1990 National Health Service Trusts (Membership and Procedure) Regulations [SI 1990/2024].
- **"Legal Adviser"** is a properly qualified person (not necessarily an employee) appointed by the Trust to provide legal advice.
- **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- **"Non-Executive director"** means a Member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- **"Quality Governance Committee"** means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving quality of healthcare for which Northampton General Hospital NHS Trust has responsibility
- **"The Trust Secretary"** - a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the chairman and

monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance and is undertaken by the Director of Corporate Development Governance and Assurance

- **"SFIs"** means Standing Financial Instructions.
- **"SOs"** means Standing Orders.
- **"Trustee(s)" means charity trustee(s).** These are the bodies or individuals who are responsible for the general control and management of the administration of the charity.
- **"Trust"** means the Northampton General Hospital NHS Trust.
- **"Vice-Chairman"** means the non-officer Member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.

Wherever the title Chief Executive, Director of Finance, or other nominated employee is used in these Standing Orders, it shall be deemed to include such other Directors or employees who have been duly authorised to represent them.

Where the term "employee" is used it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

Any references to one gender alone are made for ease of reference only and should be read as equally applicable to both male and female persons.

5. ROLES & RESPONSIBILITIES

- 5.1. The Board is responsible for giving final approval to updated versions of Standing Orders
- 5.2. The Audit Committee is responsible for considering draft revisions prior to submission to the Board.

STANDING ORDERS

The Standing Orders including the Scheme of Delegation, Standing Financial Instructions, Conflicts of Interest Policy and Counter Fraud, Bribery and Corruption Policy provide a comprehensive regulatory and business framework for the Trust.

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

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

1. INTRODUCTION

1.1. Statutory Framework

The Northampton General Hospital NHS Trust (the Trust) is a statutory body which came into existence on 01 April 1994 under The Northampton General Hospital National Health Service Trust (Establishment) Order 1993 No 2561.

The principal place of business of the Trust is Cliftonville, Northampton, NN1 5BD.

NHS Trusts are governed by Act of Parliament, notably the National Health Service Acts 2006 and 2012 and the functions of the Trust are conferred by such legislation.

As a statutory body, the Trust has specific powers to contract in its own name and is accountable to the Secretary of State for Health. Charitable funds are administered by independent trustees. The NGH Charity is an independent charitable company limited by guarantee. The Trust also has a common law duty as a bailee for patients' property held by the Trust on behalf of patients.

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

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

1.2. NHS Framework

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

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

The Freedom of Information Act provides for members of the public to access information on many aspects of the Trust's business.

1.3. Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order (SO) relating to the Arrangements for the Exercise of Trust Functions by Delegation (SO 4), the Trust is given powers to *"make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, subcommittee or joint committee appointed by virtue of SO 5 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct"*.

Reservation of Powers to the Board and Delegation of Powers are covered in a separate document (Scheme of Delegation and Reservation). These documents have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.4. Integrated Governance

Trust boards maintain an integrated approach to ensure good governance, so that decision making is informed by intelligent information covering the full range of corporate, financial, clinical, information, education and research governance.

2. THE TRUST BOARD

- All business shall be conducted in the name of the Trust.
- The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order 3.
- The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in Reservation of Powers to the Board and have effect as if incorporated into the Standing Orders.

2.1. Composition of the Board

In accordance with the Trust's Establishment Order (see SO1.1) and the Membership, Procedure and Administration Arrangements regulations, the composition of the Board shall be:

- 1) The Chairman of the Trust

- 2) Up to 5 Non-Executive directors excluding the Chairman
 - 3) One Associate Non-Executive Director nominated by the University of Leicester
 - 4) Up to 5 Executive directors
- The Chief Executive;
 - The Director of Finance;
 - The Chief Operating Officer
 - The Medical Director
 - The Director of Nursing.

The Trust shall have not more than 11 and not less than 8 Members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).

2.2. Appointment of the Chairman and Directors

The Chairman is appointed by NHS Improvement/ NHS England on behalf of the Secretary of State for Health.

The Trust shall appoint a committee whose members shall include the Chairman and Non-Executive Directors of the Trust whose function will be to appoint the Chief Executive as a director of the Trust. The Trust shall appoint a committee whose members shall include the Chairman, Non-Executive Directors and Chief Executive whose function will be to appoint the other four Executive Directors of the Trust.

The Trust will seek assurance that any individuals under consideration for appointment as Directors of the Trust satisfy the Fit and Proper Person requirements.

2.3. Terms of Office of the Chairman and Directors

The regulations setting out the period of tenure of office of the Chairman and directors and for the termination or suspension of office of the Chairman and directors are contained in the Membership, Procedure and Administration Arrangements and Administration Regulations.

The tenure of office for directors shall be:

- 2.3.1. Chairman and Non-Executive Directors - as determined by NHS Improvement, but usually for a maximum period of four years, which may be renewable, subject to the provisions of SO 2.8
- 2.3.2. Chief Executive and Director of Finance – for the period of their employment in those posts
- 2.3.3. Other Executive Directors – for such period as specified by the Appointing Authority as long as they hold a post in the Trust

2.4. Appointment and Powers of the Vice Chairman and Senior Independent Director

- 2.4.1. Subject to SO 2.4, for the purpose of enabling the proceedings of the Trust to be conducted in the absence of the Chairman, the Chairman and members of the Trust shall appoint a Non-Executive director from among them to be Vice Chairman, and a further Non – Executive Director as the Senior Independent Director, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him/her.

2.4.2. Any director so appointed may at any time resign from the office of Vice Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another Non-Executive director as Vice Chairman in accordance with the provisions of Standing Order 2.4).

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

2.5. Joint Directors

Where more than one person is appointed jointly to a post mentioned in regulation 2(4) (a) of the Membership, Procedure and Administration Arrangements Regulations, those persons shall count for the purpose of SO 2.1 as one person.

Where the office of a Director of the Board is shared jointly by more than one person:

2.5.1. Either or both of those persons may attend or take part in meetings of the Board;

2.5.2. If both are present at a meeting they should cast one vote if they agree;

2.5.3. In the case of disagreements no vote should be cast; and

2.5.4. The presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.14 (Quorum).

2.6. Role of Directors

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

1) Executive Directors

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

2) Chief Executive

Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the **Accountable Officer** for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

3) Director of Finance

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

4) Non-Executive directors

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

5) Chairman

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

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

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

2.7. Lead Roles for Board Directors

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

2.8. Corporate Role of the Board

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

2.8.2. All funds received in Trust (i.e. donations, legacies etc.) shall be held in the name of the Trust as corporate trustee. In relation to funds held on trust, powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Trust.

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

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

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

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

3. MEETINGS OF THE TRUST

3.1. Admission of Public and the Press

3.1.1. The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Trust (Board) but shall be required to withdraw upon the Trust (Board) resolving in accordance with the following:

"A body may, by resolution, exclude the public from a meeting (whether during the whole or part of the proceedings) whenever publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted....." (Section 1(2) Public Bodies (Admission to Meetings) Act 1960)

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

"That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Board to complete business without the presence of the public" (utilising the power given in section 1(8) Public Bodies (Admission to Meetings) Act 1960)

3.1.3. Nothing in these Standing Orders shall require the Trust (Board) to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place, without the prior agreement of the Board.

3.2. Calling Meetings

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

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

3.3. Notice of Meetings and the Business to be transacted

3.3.1. Before each meeting of the Board, a notice specifying the business proposed to be transacted shall be delivered to every Director, so as to be available at least three clear days before the meeting.

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

3.3.3. In the case of a meeting called by Directors in default of the Chairman calling the meeting, the notice shall be signed by those members.

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

3.4. Agenda and Supporting Papers

3.4.1. The Board may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted.

3.5. Submission of Papers to Board Meetings

3.5.1. All Board papers should be submitted to the Executive Board Secretary seven days prior to the Board meeting. In exceptional circumstances, and only with the prior agreement of the Chairman, late papers may be accepted.

3.6. Chairman of Meeting

3.6.1. At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice Chairman (if the Board has appointed one), if present, shall preside. If the Chairman and Vice Chairman are both absent, the remaining Board members shall choose a Non-Executive director from among their number to act as Chair.

3.6.2. If the Chairman is absent from a meeting temporarily on the grounds of a declared conflict of interest, the Vice Chairman, if present, shall preside. If the Chairman and Vice Chairman are absent, or are disqualified from participating, the remaining Board members shall choose a Non-Executive director from among their number to act as Chair

3.7. Reporting to and Consultation with the Public

The Trust will publicise and hold an annual public meeting in accordance with the NHS Trusts (Public Meetings) Regulations 1991 (SI(1991)482).

3.8. Chairman's Ruling

Statements by Directors made at meetings of the Board shall be relevant to the matter under discussion at the material time and the decision of the Chairman of the meeting on questions of order, relevancy, regularity and any other matters shall be final.

3.9. Voting

3.9.1. Every question at a meeting shall be determined by a majority of the votes of the directors present (including the Chairman) and voting on the question and, in the case of the number of votes for and against a motion being equal, the Chairman of the meeting shall have a second (casting) vote.

3.9.2. All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the directors present so request.

3.9.3. If at least one-third of the directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each director present voted or abstained.

3.9.4. If a director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).

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

4.8.6 An officer who has been appointed formally by the Board to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of the Executive Director. An officer attending the Board to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.

3.10. Secretariat and Minutes

3.10.1. The Executive Board Secretary or a nominated deputy shall attend the meetings of the Trust Board and its Committees. The Executive Board Secretary will be responsible for maintaining the records of such meetings. The minutes of the proceedings shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

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

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

3.11. Joint Directors

Where the office of a director of the Board is shared jointly by more than one person:

- (a) Either or both of those persons may attend or take part in meetings of the Board:
- (b) If both are present at a meeting they should cast one vote if they agree:
- (c) In the case of disagreements no vote should be cast:
- (d) The presence of either or both of those persons should count as the presence of one person for the purposes of quorum.

3.12. Variation and Amendment of Standing Orders

These Standing Orders shall be amended only if:

- no fewer than half the total of the Trust's non-Executive Directors vote in favour of amendment; and
- at least two-thirds of the Board directors are present; and

- the variation proposed does not contravene a statutory provision or direction made by the Secretary of State.

3.13. Record of Attendance

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

3.14. Quorum

3.14.1. No business shall be transacted at a meeting unless at least one third of the whole number of the Chairman and members (including at least two Executive directors and two Non-Executive directors) is present. Directors are not permitted to dial into Board meetings.

3.14.2. An officer in attendance for an Executive director (Officer Member) but without formal acting up status does not count towards the quorum.

3.14.3. If the Chairman or Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.14.4. If after 15 minutes from the time appointed for a meeting of the Trust Board to take place no quorum is present, then there shall be no meeting. Likewise, if during a meeting the Chairman, after counting the number of directors present, declares that there is no quorum, the meeting shall stand adjourned to a time arranged by the Chairman or to the next ordinary meeting of the Trust Board.

4. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions:

- by a committee, sub-committee or,
- individuals appointed by virtue of Standing Order 5.1 or 5.2 below or by an officer of the Trust,
- or by another body as defined below,

in each case subject to such restrictions and conditions as the Trust thinks fit.

- Regulations provide for the functions of Trusts to be carried out for the Trust by third parties.
- Where a function is delegated by these regulations to another NHS body, the Trust has responsibility to ensure that the proper delegation is in place. In other situations, i.e. delegation to committees, sub committees or officers, the Trust retains full responsibility.

4.1. Emergency Powers

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

4.2. Unavailability of Chairman/Vice-Chairman

Save as expressly provided for in these Standing Orders:

- In addition to the statutory powers of the vice Chairman, if the Chairman is unavailable for whatever reason to transact the business of the Trust expressly or impliedly delegated to the Chairman, then, if so requested by the Chief Executive, the Vice-Chairman shall be empowered to act in the Chairman's place and to exercise all the powers and duties of the Chairman until the Chairman is again available;
- If the Vice-Chairman is unavailable for whatever reason to transact the business of the Trust expressly or impliedly delegated to the Vice-Chairman, then if so requested by the Chief Executive in relation to any particular matter, any Non-Executive Director shall be empowered to act in the Vice-Chairman's place and exercise all the powers and duties of the Vice-Chairman (including the power contained in the previous part of this Standing Order) in relation to that matter;

4.3. Delegation to Committees

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

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

4.4. Delegation to Officers

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

4.4.2. The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

4.4.3. Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance or other Executive directors to provide information and advise the Board in accordance with

statutory or Department of Health requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

4.4.4. The arrangements made by the Board as set out in the Scheme of Delegation and Reservation shall have effect as if incorporated in these Standing Orders.

4.5. Non Compliance with Standing Orders

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

4.6. Relationship to other Trust Policy Statements/Procedures, Regulations and the Standing Financial Instructions

4.6.1. Policy Statements: General Principles

The Board has delegated the approval of most new and revised Trust core policies and guidelines to the Trust's Procedural Document Group reporting to the Clinical Quality and Effectiveness Group. The Trust Procedural Document Group will agree and approve policy statements and procedures which will apply to all or specific groups of staff employed by the Trust and others working in the Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Procedural Document Group Committee minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

4.6.2. Specific Policy Statements

Notwithstanding the application of SO 4.6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- The Conflict of Interest Policy for Trust staff.
- The Disciplinary Policy, Procedure and Rules, the Disciplinary Procedure for Medical and Dental Staff, and the Grievance Policy and Procedure for Northampton General Hospital NHS Trust
- The Counter Fraud, Bribery and Corruption Policy

4.6.3. Standing Financial Instructions

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

5. COMMITTEES

5.1. Subject to such directions (and to guidance issued by the Department of Health) as may be given by the Secretary of State for Health, the Trust may and, if directed by him, shall appoint committees of the Trust, or together with one or more health service bodies or other Trusts, appoint joint committees, consisting wholly or partly of the Chairman and Directors of the Trust or other health service bodies or wholly of persons who are not directors of the Trust or other health service bodies in question.

- 5.2. A committee or joint committee appointed under this regulation may, subject to such directions as may be given by the Secretary of State or the Trust or other health service bodies in question, appoint sub-committees consisting wholly or partly of members of the committee or joint committee (whether or not they are directors of the Trust or other health service bodies in question); or wholly of persons who are not directors of the Trust or other health service bodies or the committee of the Trust or other health service bodies in question.
- 5.3. The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Trust. In such cases the term "Chairman" is to be read as a reference to the Chairman or person presiding at the meeting of the committee as the context permits, and the term "director" is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees, established by the Trust, in public.)
- 5.4. Each such committee shall have such terms of reference and powers and be subject to such conditions, as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the Standing Orders.
- 5.5. Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Board.
- 5.6. The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither directors nor officers, shall be appointed to a committee, the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.
- 5.7. Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.
- 5.8. The Trust Board will from time to time, review committees or sub-committees terms of reference, membership establishment or reporting arrangements and any subsequent changes will be appropriately approved and recorded.
- 5.9. Committees established by the Trust Board are: (Terms of Reference are available from the Trust CEO Office)
- Audit Committee
 - Quality Governance Committee
 - Remuneration and Nominations Committee
 - Finance, Investment and Performance Committee
 - Workforce Committee
 - Other Committees as determined by the Board

5.10. Confidentiality:

A member of a committee shall not disclose a matter dealt with by, or brought before, the committee without its permission until the committee shall have reported to the Board or shall otherwise have concluded on that matter.

A director of the Trust or member of the committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential.

6. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND STAFF UNDER THESE STANDING ORDERS

6.1. Declaration of Interests

All Non-Executive Directors, Associate Non-Executive Directors, all Executive Directors and all other officers of the Trust are required to comply with the Conflicts of Interest Policy.

6.2. Advice on Interests

If Board Directors has any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Director of Corporate Development, Governance and Assurance

6.3. Recording of Interests in Trust Board Minutes

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes. Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting.

6.4. Publication of Declared Interests in Annual Report

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

6.5. Conflicts of Interest which Arise During the Course of a Meeting

At the start of every Board meeting, there will be an agenda item which invites directors to declare whether they have any interests which might be relevant to any items of business on that agenda. Directors should declare all such interests, on each occasion, whether or not they have already declared them for the purposes of the register of declared interests. If a conflict of interest is established, the Board director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. The Chairman shall rule on any issues of doubt, having first considered the applicability of standing orders in this regard.

6.6. Register of Interests

6.6.1. The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board Directors. A copy of the register will be included in the papers for the public Board meeting.

6.6.2. These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding 12 months will be incorporated.

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

6.7. Exclusion in Proceedings of the Board

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

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

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

6.7.4. Any remuneration, compensation or allowance payable to the Chairman or a director by virtue of paragraph 11 of Schedule 5A to the National Health Service Act 1977 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.

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

6.8. Canvassing of and Recommendations by Directors and Officers in Relation to Appointments

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

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

6.9. Relatives of directors or officers

6.9.1. Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any director or the holder of any office under the Trust. Failure to disclose such a

relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.

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

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

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

7.1. Custody of the Seal

The Common Seal of the Trust shall be kept by the Director of Corporate Development, Governance and Assurance in a secure place.

7.2. Sealing of Documents

The Seal is a corporate signature. It may be interchangeable with the words “for and on behalf of the Trust” for documents of minor importance and/or value. The use of the Seal indicates that the document is important and/or valuable. No common law exists regarding any financial limits which require a Seal. However, a Seal must be used in the conveyancing of land.

If the Trust gives an undertaking, the sealing of a document imposes an obligation. A signature does not reduce the obligation, but a Seal reaffirms the obligation expressed within the document. In cases where the Trust is uncertain, a signature could be offered “for and on behalf of the Trust” and if this is refused, the Seal can be used.

The Trust or its officers may decide that a document shall be sealed, within the provisions of the NHS Acts.

7.2.1. The following documents must be sealed:

- All contracts for the purchase or lease of land and/or buildings.
- All documents relating to the transfer or sale of shares, bonds and other financial instruments.

7.2.2. The following documents may be sealed:

- Legal agreements and licences.
- When a Seal is requested by the other party or parties.

The Trust Board has delegated the responsibility for the use of the Trust’s Seal to the Chief Executive and the Director of Corporate Development, Governance and Assurance. However, in the absence of either of these two officers, the Chairman and/or another director (not from the originating department) duly authorised by the

Chief Executive may attest the use of the Seal. Amendments to documents under Seal should be initialled by those attesting the use of the Seal. Every instance of the use of the Seal must be reported to the Trust Board for ratification and recorded in the minutes of the meeting.

7.3. Register of Sealing

The Director of Corporate Development, Governance and shall keep a register in which she, or an officer from the Trust Office authorised by her, shall enter a summary record of the sealing of every document. Each record must be signed by those officers attesting the use of the Seal.

7.4. Signature of Documents

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

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

8. MISCELLANEOUS

8.1. Review of Standing Orders

Upon each updating of these Standing Orders, the Board shall determine the next appropriate review date.

8.2. Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its statutory powers. The Board may also use statutory powers to confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services.

8.3. Partnership Arrangements

The Trust shall ensure, through the Chief Executive, that there are processes in place for establishing and reviewing the effectiveness of all partnership arrangements and that these are appropriate for the local circumstances.

8.4. Conflict

In the event of any conflict between the Standing Orders and any statutory provision, regulation or direction by the Secretary of State, the latter shall prevail.

(9) STANDING FINANCIAL INSTRUCTIONS

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1. INTRODUCTION

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

These Standing Financial Instructions together with the Standing Orders, Conflicts of Interest Policy and Counter Fraud and Bribery and Corruption Policy provide a comprehensive regulatory and business framework for the Trust. They shall have effect as if incorporated in the Standing Orders (SOs).

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

2. EXECUTIVE SUMMARY

These Standing Financial Instructions identify the financial responsibilities, policies and procedures adopted by the Trust and apply to everyone working for the Trust and its constituent organisations including Trading Units and wholly owned subsidiary organisations.

Standing Financial Instructions govern the way in which the Trust undertakes its financial business and how all those working for the Trust shall operate. They demonstrate to the public that the Trust is well managed and that we conduct our business with probity, transparency and in accordance with our responsibilities for the stewardship of public funds.

They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes.

All financial procedures must be approved by the Director of Finance.

3. POLICY STATEMENT

Standing Financial Instructions are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They identify the financial responsibilities that apply to everyone working for the Trust. The user of these Standing Financial Instructions should also be familiar with and comply with the Trust's Standing Orders.

Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions, the advice of the Director of Finance must be sought before acting.

The Trust will regard the failure to comply with these Standing Financial Instructions as a disciplinary matter, which could result in dismissal.

If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All directors of the

Board, and all staff, have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible. Non-compliance may also constitute a criminal offence in which case the matter will be reported to the Trust's Counter Fraud Specialist and/or the Police for action to be taken which may result in referral for prosecution. Civil action may also result to recover the Trust's losses and costs.

4. DEFINITIONS

Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990, the NHS Act 2006 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in this interpretation and in addition:

- "Accountable Officer" means the NHS officer responsible and accountable for funds entrusted to the Trust. He shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- "Associate Director" means a person, who is appointed to sit on a committee, sub-committee, officer group or working party appointed by the Trust.
- "Audit Committee" means the committee of the Board whose responsibility is to provide assurance to the Board that effective risk management, internal control and governance processes are maintained and that the Trust's activities comply with the law, guidance and codes of conduct governing the NHS. The committee provides a formal independent mechanism for ensuring a co-ordinated approach for achieving sound financial and managerial control.
- "Board" means the chairman, executive and non-executive directors of the Trust collectively as a body.
- "Budget" means a resource, expressed in financial terms, proposed by the Trust for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- "Budget Holder" is an executive director, or other officer, with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
- "CFS" means Counter Fraud Specialist
- "Chairman of the Board (or Trust)" is the person appointed by the Secretary of State for Health as advised by the NHS Improvement to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the vice-chairman of the Trust if the chairman is absent, or is otherwise unavailable.
- "Chief Executive" means the chief officer of the Trust.
- "Director of Finance" means the chief financial officer of the Trust.
- "Committee" means a committee appointed by the Trust.
- "Committee members" mean those people formally appointed by the Board to sit on and/or chair specific committees.

- "Contracting and procuring" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- "Establishment Order" shall mean the Northampton General Hospital NHS Trust (the Trust) is a statutory body which came into existence on 01 April 1994 under the Northampton General Hospital National Health Service Trust (Establishment) Order 1993 No 2561.
- "Executive Director" means the Chief Executive and Directors who are appointed in accordance with the 1990 National Health Service Trusts (Membership and Procedure) Regulations [SI 1990/2024].
- "Legal Adviser" is a properly qualified person (not necessarily an employee) appointed by the Trust to provide legal advice.
- "Level 1 Officer" } Refer to
- "Level 2 Officer" } Scheme of
- "Level 3 Officer" } Delegation 'List of
- "Level 4 Officer" } Officers'
- "Membership, Procedure and Administration Arrangements Regulations" means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- "Nominated officer" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- "Non-Executive Director" means a Director of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- "Officer" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- "The Trust Secretary" - a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the chairman and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance and is undertaken by the Director of Corporate Development Governance and Assurance
- "SFIs" mean Standing Financial Instructions.
- "SOs" mean Standing Orders.
- "Trust" – Northampton General Hospital NHS Trust
- "Tendering and Contract Procedures" refers to the procedures within Procurement Policy and Procedure Manual. NGH PO363 refers and the manual is available on intranet
- "Vice-Chairman" means the Non-Executive Director appointed by the Board to take on the chairman's duties if the chairman is absent for any reason.

All references in this document expressed in the masculine shall be deemed to also include the feminine.

Wherever the title Chief Executive, Director of Finance, Information and Procurement, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to represent them.

Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

5. ROLES AND RESPONSIBILITIES

5.1 The Trust Board

The Trust Board is responsible for giving final approval to updated versions of Standing Financial Instructions.

The Board exercises financial supervision and control by:

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

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 Scheme of Delegation and Reservation.

The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Trust.

5.2 Chief Executive

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

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

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

5.3 Director of Finance

The Director of Finance is responsible for:

- (a) ensuring that the Standing Financial Instructions are maintained and regularly reviewed

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

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

- (a) the provision of financial advice to other members of the Board and employees
- (b) the design, implementation and supervision of systems of internal financial control and
- (c) 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

5.4 All Staff

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

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

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

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

6. POLICY AND/OR PROCEDURAL REQUIREMENTS

6.1 Audit

6.1.1 Audit Committee

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

- (a) Overseeing Internal and External Audit services;
- (b) Reviewing financial systems;
- (c) Monitoring compliance with Standing Orders and Standing Financial Instructions;

- (e) Reviewing schedules of losses and compensations and making recommendations to the Board.
- (f) Reviewing the information prepared to support the Annual Governance Statement prepared on behalf of the Board and advising the Board accordingly, and
- (g) Approval of the Annual Report and Annual Accounts under authority delegated by the Board of Directors

Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health. Matters pertaining to fraud, bribery and/or corruption must be reported to the CFS for investigation in accordance with the Trust's Counter Fraud, Bribery and Corruption Policy.

6.1.2 Director of Finance

It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when/if an internal audit service provider is changed.

The Minutes of Audit Committee meetings shall be formally recorded and submitted to the Board.

The Director of Finance is responsible for:

- (a) Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- (b) Ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;
- (c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud bribery or corruption;
- (d) Ensuring that an annual internal audit report is prepared by the Internal Audit service provider for the consideration of the Audit Committee and the Board. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by the Department of Health including for example compliance with control criteria and standards.
 - (ii) major internal financial control weaknesses discovered
 - (iii) progress on the implementation of internal audit recommendations
 - (iv) progress against plan over the previous year
 - (v) strategic audit plan covering the coming three years
 - (vi) a detailed plan for the coming year

The Director of Finance, designated internal auditors and CFS are entitled (without necessarily giving prior notice) to require and receive:

- (a) Access to all records, documents, correspondence and data owned or controlled by the Trust, relating to any financial or other relevant matter under investigation or review, including documents of a confidential nature;
- (b) Access at all reasonable times to the Chairman, any Executive or Non-Executive Director, officer, land or premises of the Trust;
- (c) The production of any cash, stores or other property of the Trust under the control of the Chairman, any Executive or Non-Executive Director or officer of the Trust; and

- (d) Explanations concerning any matter under investigation or review.

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

6.1.3 Role of Internal Audit

The purpose and objectives of the Internal Audit service provider are:

- (a) to provide an independent and objective opinion to the Accountable Officer (Chief Executive), Audit Committee and the Board on the strength of risk management, financial and operational controls and governance framework and the degree to which these support the achievement of the Trust's agreed objectives
- (b) to report findings and recommendations for improvement that are beneficial to the Trust and to line management in the audited areas, and to report the associated level of audit assurance gained
- (c) to add further value by providing an independent and objective consultancy service – specifically to help management to improve their risk management, control and governance arrangements

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

The Head of Internal Audit and the CFS shall be entitled to attend any Audit Committee meetings.

The Head of the Internal Audit Service shall be accountable to the Director of Finance in accordance with the Service Level Agreement. The reporting system for internal audit shall be agreed between the Director of Finance, Information and Procurement, the Audit Committee and the Head of the Internal Audit Service. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards. The reporting system shall be reviewed at least every three years.

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

6.1.4 External Audit

The External Auditor is appointed and paid for by the Trust following an appropriate procurement procedure. The appointment must be approved by the Trust Board, based on a recommendation by the Audit Committee and the resulting contract and the relationship managed by the Trust.

Although the contract length can be anything from one to five years, a period of three to five years is 'normal' and considered an appropriate period for an auditor to develop a strong understanding of the organisation. Contracts can be awarded with an optional extension period, such as three years with an optional two year extension. Whatever length of contract is chosen, it must be agreed at an early stage.

The Trust must publish a notice within 28 days of appointing the auditor stating that the appointment has been made, the identity of the auditor and the length of the appointment. This notice must also summarise the advice given by the Auditor Panel and be published either on the Trust's website or in such a way that those whom it serves/ to whom it is accountable see it.

The Audit Committee must ensure a cost-efficient service.

Should there appear to be a problem with the external audit service then this should be raised with the External Auditor and referred on to the Audit Committee if the issue cannot be resolved.

6.1.5 Fraud Bribery and Corruption

In line with their responsibilities, the Chief Executive and the Director of Finance shall monitor and ensure compliance with The NHS Standard Contract in respect of fraud, bribery and corruption and the NHS Counter Fraud Authority's Standards for NHS Providers.

The Trust shall nominate a suitable person to carry out the duties of the CFS as specified by NHS Counter Fraud Authority's NHS Counter Fraud Manual and associated guidance.

The CFS shall report to the Director of Finance and shall work with the NHS Counter Fraud Authority in accordance with the Counter Fraud Authority's Standards for NHS Providers and the NHS Counter Fraud Manual and associated guidance.

6.1.6 Security Management

In line with their responsibilities, the Chief Executive will monitor and ensure compliance with directions issued by the Secretary of State for Health on NHS security management.

The Trust shall nominate a suitable person to carry out duties of the Local Security Management Specialist as specified by the Secretary of State for Health guidance on NHS security management.

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).

6.2 Business Planning, Budgets, Budgetary Control, Capital Expenditure and Monitoring

6.2.1 Preparation and Approval of Business Plans and Budgets

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

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

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:

- (a) be in accordance with the aims and objectives set out in the Trust's integrated business plan and its long term financial model
- (b) accord with activity and manpower plans
- (c) be produced following discussion with appropriate budget holders
- (d) be prepared within the limits of available funds and
- (e) Identify potential risks

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

All budget holders must provide information as required by the Chief Financial Officer to enable budgets to be compiled and financial performance against budgets to be monitored.

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.

6.2.2 Budgetary Delegation

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

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

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

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

Non-recurring expenditure budgets or income should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

6.2.3 Budgetary Control and Reporting

The Chief Financial Officer will devise and maintain systems of budgetary control. These will include:

- (a) Monthly financial reports to the Board in a form approved by the Board containing:
 - (i) income and expenditure to date showing trends and forecast year-end position
 - (ii) movements in working capital
 - (iii) capital project spend against the Trust's capital plan by sub-group of the Capital Committee and projected outturn against annual plan
 - (iv) explanations of any material variances from plan
 - (v) details of any corrective action where necessary and the Chief Executive's and/or Chief Financial Officer, Information and Procurement's view of whether such actions are sufficient to correct the situation

- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible
- (c) investigation and reporting of variances from financial, activity and manpower budgets
- (d) monitoring of management action to correct variances and
- (d) arrangements for the authorisation of budget transfers

Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Board except where authority has been given under 6.2.2 above;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement and budget transfer;
- (c) no permanent employees are appointed without the approval in writing of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.

The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Financial Efficiency Plan.

6.2.4 Capital Expenditure

The general rules applying to delegation and reporting shall also apply to capital expenditure. All capital procurement shall be carried out in accordance with the Tendering and Contract Procedures. (The particular applications relating to capital investment and financing are contained in Section 6.9 of these Standing Financial Instructions.)

6.2.5 Monitoring Returns

The Chief Executive is responsible for ensuring that all weekly, monthly, quarterly and annual financial monitoring forms are submitted to NHS Improvement (NHSI), the trust regulator, in accordance with the prescribed deadlines.

6.3 Annual Accounts and Reports

The Director of Finance, Information and Procurement, on behalf of the Trust, will:

- (a) prepare financial accounts and returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the Trust's accounting policies, and International financial reporting standards
- (b) prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines and
- (c) submit financial returns on a monthly, quarterly and annual basis to the Department of Health in accordance with the timetable prescribed by the Department of Health.

The Trust's annual accounts must be audited by the Trust's External Auditor. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the relevant Department

of Health guidance including that contained in the Department of Health Group Accounting Manual.

6.4 Banking Arrangements

6.4.1 General

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 Department of Health guidance/directions.

The Board shall approve the banking arrangements as specified by the Department of Health.

6.4.2 Bank Accounts

The Chief Financial Officer is responsible for the operation of all the Trust's bank accounts and for:

- (a) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made
- (b) reporting to the Board all instances where bank accounts may become or have become overdrawn (together with remedial action taken and
- (c) monitoring compliance with Department of Health guidance on the level of cleared funds

6.4.3 Banking Procedures

The Chief Financial Officer will prepare detailed instructions on the operation of all Trust bank accounts that must include:

- (a) the conditions under which any bank account shall be operated, including the limit to be applied to any overdraft;
- (b) those authorised to process bank transfers and sign cheques drawn on the Trust's accounts.

No-one except the Chief Financial Officer shall open or maintain a bank account in the name of the Trust.

6.4.4 Debit/Credit Card Receipts

All arrangements to utilise collection of monies using debit/credit cards shall be approved by the Chief Financial Officer

Debit/credit card machines shall only be operated by suitably trained and authorised persons who will comply with the Payment Card Industry Data Security Standard (PCI DSS) rules and procedures.

6.4.5 External Borrowing

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

Any application for a loan or overdraft shall only be made by the Chief Financial Officer or by an employee so delegated by him or the Trust board.

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

All short term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement must be authorised by the Chief Financial Officer, Information and Procurement.

All long term borrowing must be consistent with the plans outlined in the current financial plan as reported to NHS Improvement.

6.4.6 Investments

Temporary cash surpluses must only be held in such investments as authorised by the Department of Health and authorised by the Board.

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

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

6.5 Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments

6.5.1 Income Systems

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.

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

6.5.2 Fees and Charges

The Trust shall follow the Department of Health's advice in setting prices for NHS service agreements.

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 or by statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's Commercial Sponsorship – Ethical Standards in the NHS shall be followed.

All employees must inform the Chief Financial Officer promptly of money due from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions in order to facilitate the timely raising of invoices and collection of the debt.

Under no circumstances will the Trust accept cash payments in any currency in excess of €15,000 in respect of any single transaction or series of transactions which appear to be

linked. Any attempts by an individual to effect payment above this amount should be notified immediately to the Chief Financial Officer.

6.5.3 Debt Recovery

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

Income not received should be dealt with in accordance with losses procedures. (See section 6.11).

The Chief Financial Officer is responsible for ensuring that systems are in place to prevent overpayments. Where overpayments occur systems should be in place for their detection and recovery immediately initiated.

6.5.4 Security of Cash, Cheques and other Negotiable Instruments

The Chief Financial Officer is responsible for:

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

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

All cheques and cash receipts shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Financial Officer.

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.

6.5.5 Free of Charge/Donated Goods/Services

Free of charge or donated goods or equipment from any supplier or would be supplier to the Trust must not be used to avoid the procurement regulations.

A Level 2 or 3 Officer must approve in writing the acceptance of such goods or services prior to delivery. If the goods are to be donated or accepted on loan, whether for service provision or testing, before such approval may be given:

- (a) an official order number must be allocated if the acquisition by this method is part of a procurement process by the Trust
- (b) the owner must provide a written indemnity to the Trust, which will be signed, if necessary, on the Trust's behalf by the Chief Executive or an officer authorised by the Chief Executive

- (c) responsibility for maintenance and other revenue consequences must be agreed in writing and must be approved in accordance with these Standing Financial Instructions

The acceptance of any such goods or services must be confirmed in writing to the donor/owner and, except in the case of charitable donations, such confirmation shall include a notice that the acceptance does not amount to an express or implied obligation on the Trust to continue to use the goods/services or to purchase any other goods/services.

The donation of clinical equipment shall undergo the same rigour as applied to an NHS funded purchase.

Where there are revenue consequences arising out of the donation of any asset then the donation shall not be accepted or put into use until a budget has been agreed with the Chief Financial Officer in respect of the revenue consequences.

6.5.6 Payment in Kind to the Trust

A Level 2 or 3 Officer may authorise the provision by the Trust of services to third parties in return for payments in kind provided:

- (a) the value received is reasonably commensurate with the value given
- (b) the arrangement is confirmed in writing to the third party under the signature of a Level 2 or 3 Officer and a copy retained
- (c) the confirmation includes a notice that the Trust reserves the right to joint ownership on terms to be agreed or fixed by arbitration of any intellectual property arising from the collaboration between the Trust and the third party
- (d) the confirmation includes a notice that the arrangement does not bind the Trust to continue any collaboration on the terms agreed or to purchase/use the benefits of any collaboration

6.6 NHS Service Agreements for Provision of Services

The Chief Executive, as the accountable officer, is responsible for ensuring the Trust enters into suitable contracts or service level agreements (SLAs) with service commissioners for the provision of NHS services. All contracts and SLAs should aim to implement the agreed priorities contained within the Commissioning Agreement and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the Department of Health's Operating Framework for the NHS;
- that all agreements build where appropriate on existing partnership arrangements;

A good agreement 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 agreement will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

The Chief Executive, as the accountable officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the service agreements.

6.7 Payments to Board Directors, Staff and Other Workers

6.7.1 Board Directors (Chairman and Non-Executive Directors)

The Trust will pay allowances to the Chairman and Non-Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health.

6.7.2 Remuneration and Terms of Service (Executive Directors and Staff)

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

Remuneration and terms and conditions of employment shall follow those nationally agreed by the Department of Health except where specifically agreed otherwise by the Board.

The Board shall approve procedures presented by the Chief Executive or the Director of Human Resources for the determination of remuneration and terms and conditions of service which are not agreed nationally or for any variations to nationally agreed arrangements.

6.7.3 Funded Establishment

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

The funded establishment of any Clinical Division or Corporate Directorate may not be varied in any way which causes expenditure to exceed the authorised annual budget without the prior written approval of the Chief Financial Officer, Information and Procurement.

6.7.4 Staff Appointments

No Executive Director or other employee may engage, re-engage, or re-grade employees, either on a permanent or temporary basis, or agree changes to any aspect of remuneration unless:

- (a) he or she is exercising economy and efficiency in the use of human resources;
- (b) it is within the limit of his or her approved budget and funded establishment.

Any monies due to employees as a result of all employments with the Trust howsoever arising shall be paid through the Trust payroll.

6.7.5 Contracts of Employment

The Board shall delegate responsibility to the Director of Human Resources for:

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

- (c) advising employees of the need to conform to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation and Reservation

6.7.6 Processing Payroll

The Chief Financial Officer is responsible for:

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

The Chief Financial Officer will issue instructions regarding:

- (a) verification and documentation of data
- (b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay
- (d) security and confidentiality of payroll information
- (e) checks to be applied to completed payroll before and after payment
- (f) authority to release payroll data under the provisions of the Data Protection Act
- (g) methods of payment available to various categories of officer
- (h) procedures for payment by cheque, bank direct credit (including BACS), or cash to employees and officers
- (i) procedures for the recall of bank direct credits (including BACS) and stopping of cheques
- (j) pay advances and their recovery
- (k) maintenance of regular and independent reconciliation of pay control accounts
- (l) separation of duties of preparing records and handling cash and
- (m) a process to ensure the recovery from employees and leavers of sums of money and property due from them to the Trust

Appropriately nominated managers have delegated responsibility for:

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

Regardless of the arrangements for providing the payroll service, the Chief Financial Officer shall ensure that the chosen method is supported by appropriate and adequate procedures with internal controls and audit review and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

6.7.7 Off Payroll Workers including Agency, Self-employed or Third Party Contractors

Where exceptional circumstances exist within a department and agency, self-employed workers or workers supplied via a third party are to be retained then:

- (a) the contract may only be entered into by a budget holder having sufficient resources within the limit of his budget who is authorised for that purpose by the Chief Executive or his delegated officer; and
- (b) the Chief Financial Officer shall be consulted if the contractor is not on the current list of authorised suppliers; and
- (c) the Director of Human Resources shall be consulted with regard to the remuneration package in which the hourly rate of pay of any workers employed through an agency shall be "rate cap" compliant, as determined by NHSI. Any deviation from this should be exceptional and only on the grounds of patient safety and authorised in writing by the Director of H R; and
- (d) contractual provisions shall be put in place which allow the Trust to seek assurance regarding the income tax and national insurance contribution obligations of the person engaged and the ability to terminate the contract if that assurance is not provided; and
- (e) their employment status shall be reviewed by the Chief Financial Officer prior to the commencement of their engagement to ensure that income tax deductions and national insurance contributions for both the Trust and worker are properly made and paid to HM Revenue & Customs in line with current legal and regulatory requirements.

If there is any doubt as to the correct taxation treatment or the engagement is potentially novel or contentious then the agreement of the Chief Financial Officer and the Director of H R shall be obtained before entering into such an arrangement.

6.8 Non-Pay Expenditure

6.8.1 Delegation of Authority

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.

The Chief Executive will set out:

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

The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services and this shall be followed when entering into any agreement. Contract terms and conditions used in contracts shall only be those approved by the Trust.

Where consultants are to be engaged on any project with a contracted cost exceeding £50,000 the permission of NHSI must be obtained through the submission of a business case, setting out the requirement, before entering into the contract.

Any agreement for the supply of workers shall only be entered into after fully considering and ensuring compliance with any relevant provisions contained in section 6.7.7 of these

instructions and where necessary obtaining advice from the Chief Financial Officer and the Director of HR.

Before entering into contracts for the supply of goods and services or works contracts and especially overseas contracts, taxation advice (including where appropriate customs advice) shall be obtained from the Chief Financial Officer, Information and Procurement. Agreement of the Chief Financial Officer and also where relevant the Director of Estates and Facilities shall be obtained before entering into any potentially novel or contentious arrangement with a supplier or contractor.

6.8.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

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 Head of Procurement shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Financial Officer (and/or the Chief Executive) shall be consulted.

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

The Chief Financial Officer will:

- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;
- (b) prepare procedural instructions on the obtaining of goods, works and services incorporating the thresholds
- (c) be responsible for the prompt payment of all properly authorised accounts and claims
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for
 - (i) A list of Board directors and employees (including specimens of their signatures) authorised to certify invoices;
 - (ii) Certification which shall confirm 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, with discounts having been taken where appropriate;
 - VAT has been correctly accounted for with recovery being identified where appropriate, and
 - the account is in order for payment;

- (iii) 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;
 - (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received (except as below).

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

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (cash flows must be discounted to Net Present Value (NPV) using the National Loans Fund (NLF) rate plus 2%);
- (b) The appropriate Executive Director must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) Exceptions to the requirements of sections (a) and (b) above:
 - (i) service and maintenance contracts which require payment when the contract commences;
 - (ii) minor services such as training courses and conference bookings for individuals or magazine subscriptions;
 - (iii) prepayments of up to £500 where a value for money and financial risk assessment demonstrates clear advantage in early payment.
- (d) The Chief Financial Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account relevant public procurement rules where the contract is above a stipulated financial threshold).
- (e) The budget holder is responsible for ensuring that all items due under a prepayment contract are received in a timely manner and he must immediately inform the appropriate Director or Chief Executive if problems are encountered.

Official Orders must:

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

Officers must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and that:

- (a) All contracts (other than for simple purchases permitted within the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Financial Officer and Director of Estates and Facilities in advance of any commitment being made.
- (b) contracts above specified thresholds are advertised and awarded in accordance with the relevant rules on public procurement;
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHSI and the Department of Health and Social Care;

- (d) no order shall be issued for any item or items to any firm which as made an offer of gifts, reward or benefit to directors or employees, other than:
 - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (ii) conventional hospitality, such as lunches in the course of working visits;

Reference shall be made to the Trust's Conflicts of Interests Policy.

- (d) 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;
- (f) all goods, services, or works are ordered on an official order except works and services purchased from petty cash or items bought using purchasing cards executed in accordance with the contract. For clarification the Chief Financial Officer will determine the nature of expenditure which does not require control through an official purchase order and review this on an annual basis;
- (g) Contracts shall be put in place with verbal orders only being issued very exceptionally - by an employee designated by the Chief Executive in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of directors, employees and officers authorised to certify invoices are notified to the Chief Financial Officer, Information and Procurement;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Financial Officer , Information and Procurement; and
- (l) petty cash records are maintained in a form as determined by the Chief Financial Officer, Information and Procurement.

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 Health Building Note 00-08 Part A: Strategic framework for the efficient management of healthcare estates and facilities. The technical audit of these contracts shall be the responsibility of the relevant Director.

6.9 Capital Investment, Private Financing, Leases, Asset Registers and Security of Assets

6.9.1 Capital Investment

The Chief Executive:

- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- (c) shall ensure the availability of resources to finance all revenue consequences, including VAT and any charges levied on capital developments.

For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case (in line with the current Department of Health guidance) is produced setting out:
- (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
 - (ii) appropriate project management and control arrangements are in place; and
 - (iii) advice is taken and acted upon to minimise the VAT and other taxes payable; and
 - (iv) the appropriate Trust personnel and external agencies have been involvement; and
 - (v) that the Chief Financial Officer has certified professionally to the costs and revenue consequences detailed in the business case.
- (b) Where the sum involved exceeds delegated limits, the business case must be referred to the NHS Improvement and/or Department of Health in line with current guidelines.

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

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 HM Revenue & Customs guidance.

The Chief Financial Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure, which as a minimum shall include reporting to the Board on:

- (a) an individual scheme/project
- (b) the source and level of funding, and
- (c) the expenditure incurred against the annual profile

The approval of a capital programme shall not constitute approval for the initiation of expenditure on any individual scheme, because it is also necessary to undertake the mandatory procurement processes of the Trust.

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

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 latest delegated limits for capital schemes as notified by the Department of Health.

Procure 23 is a partnering framework and procurement method, with a choice of a select number of key supply chain partners which will run until 2020. It is managed by the Department of Health (supported by HM Treasury and the Cabinet Office) to deliver fixed price design and build projects.

It is the recommended procurement method for publicly-funded capital projects over £1million. The framework operates in line with best practice as set out by HM Treasury and the Cabinet Office. It is integral to Health Building Note (HBN) 00-08 Part A: Strategic framework for the efficient management of healthcare estates and facilities (Section 4: Improved efficiencies in capital procurement, refurbishments and land management). This

method should be considered for all construction projects and used where in line with best practice as set out in HBN 00-08, Parts A and B. The management of contracts awarded under the Procure 22 Framework Agreement shall follow the current guidelines issued by the Department of Health.

All orders and contracts agreed under the Contract Framework Agreement shall be priced.

The Contract Framework Agreement should be reviewed at regular intervals, usually annually, to ensure anticipated benefits are being realised and that cost improvement and value for money objectives are achieved.

The Contract Framework Agreement shall be subject to formal tender procedures and shall comply with the Public Contract Regulations 15 governing public procurement.

The Chief Financial Officer or the Director of Estates shall issue procedure notes governing the control, management, reporting and audit arrangements of the Contract Framework Agreement.

The Committee overseeing the capital programme shall receive regular reports on the performance of the Contract Framework Agreement and detailed project progress reports on all ongoing schemes.

Any capital monies spent should be in accordance with the requirements of the Department of Health & Social Care Group Accounting Manual.

6.9.2 Private and External Finance

When the Trust proposes to finance capital investment other than through internally generated cash, the following procedures shall apply:

The instructions contained in the Tendering and Contract Procedures relating to Private Finance shall be followed.

The Chief Financial Officer shall demonstrate that the use of external finance to support capital investment is secured under the Department of Health's borrowing procedures.

Where the equipment leasing arrangements are proposed these should be authorised by signature by the Chief Financial Officer.

6.9.3 Leases (Finance and Operating)

Where it is proposed that leasing (either operating or finance) shall be considered in preference to capital procurement then the following should apply:

- (a) the selection of a contract/finance company shall be on the basis of competitive tendering and quotations sought via the Procurement Department;
- (b) the Chief Financial Officer or nominated deputy shall ensure that the proposal demonstrates best value for money; and
- (c) all proposals to enter into a leasing agreement shall be agreed in writing by the Chief Financial Officer or nominated deputy prior to acceptance.

In the case of property leases the guidance in Health Building Note 00-08, Parts A and B – Strategic framework for the efficient management of healthcare estates and facilities shall be followed.

6.9.4 Asset Registers

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.

The Trust shall maintain an asset register for recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Group Manual for Accounts as issued by the Department of Health.

Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- (a) properly authorised and approved agreements, architects' certificates, suppliers' invoices and other documentary evidence in respect of purchases from third parties;
- (b) stores, requisitions and wages records for own materials and labour including appropriate overheads; and
- (c) lease agreements in respect of assets held under a finance lease and capitalised.

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

The Chief Financial Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

The value of each asset shall be depreciated using methods and rates as specified by the Trust's accounting policies.

6.9.5 Security of Assets

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

Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Financial Officer, Information and Procurement. This procedure shall make provision for:

- (a) recording managerial responsibility for each asset;
- (b) identification of additions and disposals;
- (c) physical security of assets;
- (d) periodic verification of the existence of, condition of, and title to, assets recorded;
- (e) identification and reporting of all costs associated with the retention of an asset; and
- (f) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

All discrepancies revealed by verification of physical assets to the fixed asset register shall be notified to the Director of Finance, Information and Procurement.

Each employee has a responsibility for the security of the property of the Trust and for ensuring that any borrowing or private use of Trust equipment, goods, services and facilities is authorised by their line manager or head of department. It is the responsibility of Executive Directors and senior employees in all disciplines to apply appropriate routine security checks and practices in relation to Trust and NHS property. Any breach of agreed security practices must be reported in accordance with these Standing Financial Instructions, the Trust's policy on Fraud, Bribery and Corruption and the Security Management Policy.

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.

Where practical, assets should be marked as Trust property.

All land and property transactions shall follow the guidance provided in Health Building Note 00-08, Parts A and B – Strategic framework for the efficient management of healthcare estates and facilities.

6.10 Stores and Receipt of Goods

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

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

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 him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Financial Officer, Information and Procurement. 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.

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 NHS property.

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.

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.

Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Financial Officer, Information and Procurement.

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 section 6.11, 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.

For goods supplied via NHS Supply Chain, the Chief Executive shall identify those authorised to requisition and accept goods via this route. The authorised person shall check receipt against the delivery note and report discrepancies to the Chief Financial Officer to

avoid overpayment where such discrepancies cannot be resolved via the Central Procurement Team.

6.11 Disposals and Condemnations, Losses and Special Payments

6.11.1 Disposals and Condemnations

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

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

All unserviceable articles shall be:

- (a) Condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Financial Officer;
- (b) recorded by the Condemning Officer in a form approved by the Chief Financial Officer that will indicate whether the articles are to be condemned, converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Financial Officer.

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

6.11.2 Losses and Special Payments

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

Any officer of the Trust discovering or suspecting a loss of any kind must immediately notify their supervisor, line manager or head of department, except where fraud, bribery or corruption is suspected in which case a referral must be made to the CFS for investigation in accordance with the Trust's Counter Fraud, Bribery and Corruption Policy.

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

- (a) the Board, and
- (b) the External Auditor.

In those cases where theft or criminal damage is involved, the Chief Financial Officer must also inform the Police and the CFS.

Novel, contentious or repercussive losses and special payments must be referred to the Department of Health. The Chief Financial Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

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

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

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

6.12 Information Technology

The Chief Financial Officer, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall (in liaison with the Chief Information Officer (CIO)):

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he may consider necessary are being carried out.

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

In the case of computer systems which are proposed (i.e. including those applications which the majority of NHS bodies in the locality wish to sponsor jointly) all responsible Executive Directors and officers will send to the Chief Financial Officer:

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

The Chief Financial 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 Financial Officer shall periodically seek assurances that adequate controls are in operation.

Where computer systems have an impact on corporate financial systems the Chief Financial Officer shall satisfy himself that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;

- (b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Chief Financial Officer staff have access to such data; and
- (d) such computer audit reviews are being carried out as are considered necessary.

Risk Assessment - The Chief Financial Officer shall (in liaison with the Chief Information Officer) ensure that risks to the Trust arising from the use of Information Technology are effectively identified and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

6.13 Patients', Unclaimed and Found Property

Patients' Property

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.

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

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

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

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.

Where Department of Health instructions require the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Chief Financial Officer. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

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.

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

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.

Unclaimed and Found Property

Any unclaimed or found property shall be handed in to the Trust, either via the Security Office or in the case of cash or other valuables directly to the Cashier's Office.

Every effort shall be made to reunite the property with the rightful owner, ensuring that a patient's right to confidentiality is not compromised.

Items of low value not claimed within three months shall be disposed of as appropriate and any cash or proceeds of sale banked into the Trust's exchequer account.

Items other than clothing found by members of the public may be reclaimed by the finder on production of the property receipt after three months, providing in the case of clothing the intention to claim the item was made clear at the time of depositing with the Trust.

Any items found by an employee are construed as being found in the course of their duties and therefore employees are unable to claim ownership of such found items.

6.14 Risk Management

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

The programme of risk management shall include:

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

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control within the Annual Report and Accounts as required by current Department of Health guidance.

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

With four exceptions the Trust may not enter into insurance arrangements with commercial insurers. The exceptions are:

- a) insuring motor vehicles owned by the Trust including third party liability arising from their use;

- b) where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;
- c) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution.
- d) where it is necessary to ensure that the Trust is able to continue providing a service where adequate levels of insurance are not available under any of the schemes administered by NHS Resolution, the Trust arranges a policy in the name of “the employees of the Trust” or “members, for the time being, of a specific team”. In such cases, the premium must be:
 - (i) Paid by the use of charitable funds, providing the Trust establishes 1 through the Charity Commission, or other relevant regulatory body, whether this is an appropriate use of funds, or
 - (ii) Paid by members of the team and then reimbursed by the Trust, or
 - (iii) Paid by the Trust, provided this is with the recognition, and approval, of the Chief Financial Officer and/or Internal Audit.

In any case of doubt concerning a Trust’s powers to enter into commercial insurance arrangements the Chief Financial Officer should first consult the NHS Resolution.

Where the Board decides to use the schemes administered by NHS Resolution, the Chief Financial Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme.

The Chief Financial Officer shall ensure that documented procedures cover these arrangements.

Where the Board decides not to use the schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Chief Financial Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Financial Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.

NHS Resolution schemes may require members to make some contribution to the settlement of claims (the ‘deductible element’). The Chief Financial Officer should ensure documented procedures also cover the management of claims and payments below the deductible element in each case.

6.15 Miscellaneous

6.15.1 Charitable Donations

- (a) Northamptonshire Health Charity is the official charity for the Trust’s hospitals. It is accountable to the Charity Commission for funds held on trust. All donations received by the Trust must be passed to Northamptonshire Health Charity promptly, for banking and administration.

- (b) Where staff are aware of patients or groups who wish to set up a charity for any part of the hospitals, they should contact Northamptonshire Health Charity to find appropriate designated NGH Charity funds into which monies can be directed.
- (c) The charity is independent from the Northampton General Hospital NHS Trust and no separate charitable bank accounts shall be opened or maintained.

6.15.2 Acceptance of Gifts by Staff

The Trust Secretary shall ensure that all officers are made aware of the Trust's Conflicts of Interest Policy, which deals with the acceptance of gifts and other benefits in kind by staff.

6.15.3 Retention of Records

- (a) The Chief Executive shall be responsible for maintaining archives for all documents required to be retained in accordance with Department of Health guidelines. The Trust's Policy on the retention and disposal of records shall also be followed.
- (b) The documents held in archives shall be capable of retrieval by authorised persons.
- (c) Records held in accordance with Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

6.15.4 Partnership Agreements

The Trust shall ensure, through the Chief Executive, that there are processes in place for establishing and reviewing the effectiveness of all partnership arrangements and that these are appropriate for the local circumstances.

6.15.5 International Financial Reporting Standards (IFRS)

The Trust is required to report all its financial transactions in compliance with IFRS subject to amendments issued by the Department of Health through the NHS Group Manual for Accounts. It is important that the reporting requirements of IFRS are anticipated and provided for when making decisions which have an impact on the Trust's financial position. This is particularly the case in respect of capital investment, leasing, use of external private finance and contractual relationships with other parties. The Chief Financial Officer and his team should be consulted for advice in such instances.

7.0 Training, Implementation and Resources

7.1 Training

There are no specific training needs arising from this Policy. Managers and staff may seek advice from the Associate Director of Finance – Financial Services in the case of a query. This Policy will be included in the Trust Policy Document Library for reference by staff as appropriate.

7.2 Implementation

There is no specific new implementation required. Following approval by the Trust Board the revised document will be communicated to staff via a communication programme administered by the Chief Financial Officer, Information and Procurement.

7.3 Resources

There are no additional resource requirements arising from this version.

8. Relevant Legislation, National Guidance and Associated NGH Documents

8.1 Legislation

Criminal Procedure and Investigation Act, 1996
Government Resources and Accounts Act, 2000
Proceeds of Crime Act, 2002
National Health Service Act 2006
Fraud Act 2006
Bribery Act 2010
Health and Social Care Act, 2012
The Government Resources and Accounts Act 2000 (Estimates and Accounts) Order, 2016
Finance Act, 2017
Criminal Finances Act, 2017
The Money Laundering, Terrorist Financing and Transfer of Funds Information on the Payer) Regulations 2017

8.2 National Guidance

Model Standing Financial Instructions - Department of Health
HSG 93/5 – Standards of Business Conduct for NHS Staff
The Code of Conduct for NHS Managers (October 2002)
The Green Book – HM Treasury (2003) Code of Accountability in the NHS (2004)
Managing Public Money – HM Treasury (2013 with amendments in 2018)
Monthly Financial Monitoring Guidance for NHS Trusts - NHS Improvement
Department of Health & Social Care Group Accounting Manual

8.3 Associated NGH Documents

Trust Standing Orders
Counter Fraud, Bribery and Corruption Policy
Trust Tendering and Contract Procedure
Secure Management of Patient's and Found Property Policy
Conflicts of interest policy, bribery and fraud policies

(10) NGH SCHEME OF DELEGATION

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1.	<p>Introduction</p> <p>The Standing Orders including the Scheme of Delegation, Standing Financial Instructions, Standards of Business Conduct Policy and Fraud Policy provide a comprehensive regulatory and business framework for the Trust. All directors, and all members of staff, should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfil the dual role of protecting the Trust's interests and protecting the staff from any possible accusation that they have acted less than properly.</p> <p>The Scheme of Delegation describes the powers which the Board reserves to itself and those which are delegated to officers.</p>
2.	<p>Policy Statement:</p> <p>Failure to comply with any part of the Standing Orders is a disciplinary matter, which could result in dismissal. Non-compliance may also constitute a criminal offence of fraud in which case the matter will be reported to the trust's local counter fraud specialist in accordance with the Fraud Policy. Where evidence of fraud, corruption or bribery offences is identified, this may also result in referral for prosecution which could lead to the imposition of criminal sanctions.</p>
3.	<p>Definitions</p> <p>See Scheme of Delegation in Appendix 1</p>
4.	<p>Roles and Responsibilities</p> <p>4.1 The Board is responsible for giving final approval to updated versions of the Scheme of Delegation.</p> <p>4.2 The Audit Committee is responsible for considering draft revisions prior to submission to the Board.</p> <p>4.3 The Chief Executive and the Director of Corporate Development Governance and Assurance are responsible for ensuring that the Scheme of Delegation is maintained and regularly reviewed.</p> <p>4.4 All directors and employees of the trust are responsible for complying with the Scheme of Delegation.</p>
5.	<p>Policy / Procedure Monitoring Matrix</p>

Minimum requirement to be monitored	Responsible individual/ group/ committee	Process for monitoring e.g. audit	Frequency of monitoring	Responsible individual/ group/ committee for review of results	Responsible individual/ group/ committee for development of action plan	Responsible individual/ group/ committee for monitoring of action plan
Failure to comply with the Scheme of Delegation would constitute a breach of Standing Orders	Chief Executive	Audit Committee	As and when	Trust Board	Chief Executive	Audit Committee

6.	Relevant Legislation, National Guidance and Associated Documents: NHS Act 2006 and 2012 Standing Orders Standing Financial Instructions Tendering and Contract Procedures Conflicts of Interest Policy
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SCHEME OF DELEGATION AND RESERVATION

THE BOARD	DECISIONS RESERVED TO THE BOARD
THE BOARD	<p>General Enabling Provision The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (Secretary of State), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Note any urgent decisions taken in accordance with emergency powers under Standing Orders. 5. Approve a scheme of delegation of powers from the Board to committees and officers 6. Require and receive the declaration of Board directors' interests that may conflict with those of the Trust and determining the extent to which that director may remain involved with the matter under consideration. 7. Require and receive any referral from the Audit Committee about the declaration of officers' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action. 11. Ratify or otherwise the recommendations of the Trust's committees where the committees do not have executive powers. 12. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 13. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property. 14. Authorise use of the seal. 15. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with Standing Orders. 16. Ensure the application of appropriate disciplinary processes for directors of the Board or officers who are in breach of statutory requirements or Standing Orders.

THE BOARD	DECISIONS RESERVED TO THE BOARD
THE BOARD	<p>Appointments/ Dismissal</p> <ol style="list-style-type: none"> 1. Appoint the vice Chair of the Board. 2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 3. Appoint, appraise, discipline and dismiss executive directors (subject to committee functions) 4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust and approve the Business Plan (and associated strategic documents) and the Annual Plan 2. Approve proposals for ensuring quality and developing integrated governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State. 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve the Trust's Capital Programme. 5. Approve Outline and Final Business Cases for Capital Investment (subject to detailed Scheme of Delegation) 6. Approve budgets. 7. Approve annually the Trust's proposed organisational development proposals. 8. Approve proposals for acquisition, disposal or otherwise legal change of use of land and/or buildings. 9. Approve PFI proposals (subject to national rules). 10. Approve the opening of bank accounts. 11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the specified officers (for losses and special payments) previously approved by the Board. 12. Approve individual compensation payments above delegated limits 13. Approve proposals for action on litigation against or on behalf of the Trust. 14. Review use of NHS Resolution risk pooling schemes (LTPS/CNST/RPST).
THE BOARD	<p>Policy Determination</p> <ol style="list-style-type: none"> 1. Approve significant management policies including human resources policies incorporating the arrangements for the appointment, removal and remuneration of staff.
THE BOARD	<p>Audit</p> <ol style="list-style-type: none"> 1. Approve the audit arrangements for the Trust. 2. Receive the annual management letter from the external auditor and agree proposed action, taking account of

THE BOARD	DECISIONS RESERVED TO THE BOARD
	the advice, where appropriate, of the Audit Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.
THE BOARD	Self-Certification 1. Receipt and approval of the Trust's Self Certification.
THE BOARD	Monitoring 1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated. 2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. 3. Receive reports from Director of Finance on financial performance against budget and plans. 4. Receive reports from Director of Finance on actual and forecast income from activity contracts

DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
AUDIT COMMITTEE	Current Terms of Reference held by Executive Board Secretary
AUDIT COMMITTEE	Approve the Trust's Annual Report and Annual Accounts
QUALITY GOVERNANCE COMMITTEE	Approve the Trust's Quality Account
REMUNERATION AND TERMS OF SERVICE COMMITTEE	Current Terms of Reference held by Executive Board Secretary

COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
OTHER COMMITTEES OF THE BOARD	Current Terms of Reference held by Executive Board Secretary

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

DELEGATED TO	DUTIES DELEGATED
CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
CE AND DIRECTOR OF FINANCE AND PROCUREMENT (DoF)	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
CHIEF EXECUTIVE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
CHIEF EXECUTIVE	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • “have a clear view of their objectives and the means to assess achievements in relation to those objectives • be assigned well defined responsibilities for making best use of resources • have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”
CHAIR	Implement requirements of corporate governance.
CHIEF EXECUTIVE	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities.

DELEGATED TO	DUTIES DELEGATED
	Follow through the implementation of any recommendations affecting good practice as set out on reports from national or regulatory bodies.
DoF	Operational responsibility for effective and sound financial management and information.
CHIEF EXECUTIVE	Primary duty to see that DoF discharges this function.
CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
CE and DoF	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
CHIEF EXECUTIVE	If Chief Executive considers the Board or Chair is doing something that might infringe probity or regularity, they should set this out in writing to the Chair and the Senior Independent Director/ Board. If the matter is unresolved, they should ask the Audit Committee to inquire and if necessary the NHSE/I and Department of Health.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	Approve procedure for compliance with the Conflict of Interest Policy.
BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, public interest disclosures and breaches of Standards for Members of NHS Boards and Clinical Commissioning Group Governing Bodies in England and other ethical concerns.
ALL BOARD DIRECTORS	Subscribe to Standards for Members of NHS Boards and Clinical Commissioning Group Governing Bodies in England.
BOARD	Board directors share corporate responsibility for all decisions of the Board.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
CHAIR AND NON EXECUTIVE DIRECTORS	Chair and Non-Executive Directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure (including through the Fit and Proper Persons Test) that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.
BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within statutory financial and other constraints; 2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, 3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the committee, the limit to their powers, and the arrangements for reporting back to the main Board.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
CHAIR	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board; 2. enable all Board directors to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non Executive Board directors through a formally appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other executive Board directors; 6. advise the NHSE/I on the performance of Non-Executive Board directors.
CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chair and Non-Executive Directors of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship. The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board. The other duties of the Chief Executive as Accountable Officer are laid out in the Trust's Annual Governance Statement.</p>
NON-EXECUTIVE DIRECTORS	<p>Non-Executive Directors are appointed by NHSI to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.</p>
CHAIR AND DIRECTORS	<p>Declaration of relevant and material interests.</p>
BOARD	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.</p>

SCHEME OF DELEGATION FROM STANDING ORDERS

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
CHAIR	Final authority in interpretation of Standing Orders

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	Appointment of Vice Chair
CHAIR	Call meetings.
CHAIR	Chair all Board meetings and associated responsibilities.
CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
CHAIR	Having a second or casting vote
BOARD	Suspension of Standing Orders
AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
BOARD	Variation or amendment of Standing Orders
BOARD	Formal delegation of powers to committees or joint committees and approval of their constitution and terms of reference.
CHAIR & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive Directors.
CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
THE BOARD	Declare relevant and material interests.
CHIEF EXECUTIVE	Maintain Register(s) of Interests.
ALL STAFF	Comply with national guidance on Standards of Business Conduct for NHS Staff.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents, which will be necessary in legal proceedings.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DOF	Approval of all financial procedures.
DOF	Advice on interpretation or application of Standing Financial Instructions.
ALL DIRECTORS OF THE BOARD AND OFFICERS	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
CHIEF EXECUTIVE & DOF	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
CHIEF EXECUTIVE	To ensure all Board directors and officers, present and future, are notified of and understand Standing Financial Instructions.
DOF	Responsible for: <ul style="list-style-type: none"> a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	<p>systems are prepared and documented;</p> <p>c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position;</p> <p>d) Providing financial advice to directors of the Board and officers;</p> <p>e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.</p>
ALL DIRECTORS OF THE BOARD AND OFFICERS	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income is made aware of these instructions and their requirement to comply.
AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
AUDIT COMMITTEE CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
DOF	Ensure an adequate internal audit service, for which he is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
DOF	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
AUDIT COMMITTEE	Ensure cost-effective External Audit.
CHIEF EXECUTIVE & DOF	Monitor and ensure compliance with Secretary of State Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
CHIEF EXECUTIVE	Monitor and ensure compliance with directions issued by the Secretary of State and/or guidance from NHS Protect on NHS security management including appointment of the Local Security Management Specialist.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
CHIEF EXECUTIVE	Compile and submit to the Board a plan which takes into account financial targets and forecast limits of available resources. The plan will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload, delivery of services or resources required to achieve the plan.
DOF	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
DOF	Ensure adequate training is delivered on an ongoing basis to budget holders.
CHIEF EXECUTIVE	Delegate budget to budget holders.
DOF	Devise and maintain systems of budgetary control.
CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the financial plan.
CHIEF EXECUTIVE	Submit monitoring returns
DOF	Preparation of annual accounts and reports.
DOF	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
DOF	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
ALL OFFICERS	Duty to inform Director of Finance of money due from transactions which they initiate/deal with.
CHIEF EXECUTIVE	Tendering and contract procedure
OFFICERS AUTHORISED IN STANDING ORDERS	Waive requirement for competitive quotations or tenders (i.e. authorise soliciting of single quotations or tender) - Appendix 2 provides further clarification for occurrences when a waiver is not required

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DIRECTOR OF FINANCE	Report waivers of requirement for competitive tendering to the Audit committee
DOF	Responsible for the receipt, endorsement and safe custody of tenders received to ensure compliance with all NGH procurement requirements
DOF	Maintain a register (including by electronic systems) to show each set of competitive tender and quotation invitations despatched.
DOF	Where one tender is received will assess for value for money and fair price.
CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive
CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
BOARD	All PFI proposals must be agreed by the Board.
CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
CHIEF EXECUTIVE	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.
CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
CHIEF EXECUTIVE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with commissioners for the provision of NHS services
CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	Establish a Remuneration & Terms of Service Committee
DOF	Payroll: a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions
DOF	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
NOMINATED MANAGER	Ensure that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation; and deal with variations to, or termination of, contracts of employment.
CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level. (See below)
CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
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.
DOF	Shall be responsible for the prompt payment of accounts and claims.
DOF	a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; b) Prepare procedural instructions (provided within the Procurement Manual / Policy) on the obtaining of goods, works and services incorporating the thresholds; these documents can be located on the Trust's intranet: http://thestreet/CorporateInformation/Departments/Finance/Downloads/The-Procurement-Manual-v1.0.pdf

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	<p>http://thestreet/CorporateInformation/Departments/Finance/Downloads/Procurement-Policy.pdf</p> <ul style="list-style-type: none"> c) Be responsible for the prompt payment of all properly authorised accounts and claims; d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; f) Instructions to employees regarding the handling and payment of accounts within the Finance Department; g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform Director of Finance if problems are encountered).
MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
CHIEF EXECUTIVE DOF	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the national guidance.
DOF	The Director of Finance will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
DOF	To seek approval for short term borrowing.
DOF	Will advise the Board on investments and report, periodically, on performance of same.
DOF	Prepare detailed procedural instructions on the operation of investments held.
CHIEF EXECUTIVE	<p>Capital investment programme:</p> <ul style="list-style-type: none"> a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost;

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that, in the case of major schemes, a business case is produced for each proposal.
DOF	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
DOF	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
DOF	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
DoF	Maintenance of asset registers
DOF	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
DOF	Calculate and pay capital charges in accordance with Department of Health requirements.
CHIEF EXECUTIVE	Overall responsibility for fixed assets.
DOF	Approval of fixed asset control procedures.
BOARD, EXECUTIVE DIRECTORS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to Director of Finance, and reporting losses in accordance with Trust procedure.
DoF	Identify persons authorised to requisition and accept goods.
DO ESTATES AND FACILITIES	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
DOF	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Chief Executive and Director of Finance.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DOF	Where a criminal offence is suspected, Director of Finance must inform the police if theft or criminal damage is involved. In cases of fraud and corruption Director of Finance must inform the relevant LCFS and NHS Protect.
DOF	Notify NHS Counter Fraud Authority and External Audit of all frauds.
DOF	Notify Board and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
DOF	Maintain losses and special payments register.
DOF	Responsible for accuracy and security of computerised financial data.
CHIEF EXECUTIVE	Publish and maintain a Freedom of Information Scheme.
CHIEF EXECUTIVE	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place
DOF	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
DOF	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.
CHIEF EXECUTIVE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
BOARD	Approve and monitor arrangements for risk management.
BOARD	Decide whether the Trust will use the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.

DETAILED SCHEME OF DELEGATION

The Scheme of Delegation as set out below represents the lowest level to which authority is delegated. All items concerning finance must also be carried out in accordance with Standing Financial Instructions and Standing Orders.

DELEGATED MATTER	AUTHORITY DELEGATED TO
1. Maintenance / Operation of Bank Accounts	Director of Finance
2. Management of Budgets Responsibility of keeping non-contracted income/ expenditure within budgets	
a) At individual budget level (Pay and Non Pay)	Budget Manager
b) For the totality of services covered in a division or corporate directorate	Divisional Director / Director
3. Capital and/or Revenue Business Cases	
a) Capital Investments	See appendix one for delegated authority
b) Revenue business cases (including consultant cases of need)	
c) Bids (including tenders) to external bodies	
4. Reporting of Waivers of Requirement for Competitive Tendering	
All waivers of the requirement for competitive tendering to be reported to the Audit Committee	Director of Finance
5. Opening of Quotations and Tenders – managed electronically by Head of Procurement	
a) Opening Quotations	Head of Procurement (or their nominated officer)
b) Opening Tenders	Head of Procurement (or their nominated officer)
6. Intention to Award Contracts to Successful Bidder (following Evaluation), including the decision to utilise contracts negotiated external to the Trust, for example, framework agreements, Government procurement services	
a) Revenue and Capital (other than Energy Contracts) up to £499,999	Head of Procurement
b) Revenue and Capital (other than Energy Contracts) £500,000 +	Head of Procurement <u>acting with</u> Director of Finance

DELEGATED MATTER	AUTHORITY DELEGATED TO
<p>7. Signature (and variation) of all Formal Legal Contract Documentation – Goods and Services Note – for the avoidance of doubt, officers within the Procurement function may, under the authority of the Head of Procurement, complete and issue documentation which, in itself, constitutes the trust entering into a binding contract with an external supplier. However, such documentation will be based upon the prior authorisation of the relevant budget holder and is therefore an administrative action undertaken with the budget holder’s due authority. The same principle applies to officers acting under the authority of the Director of Estates and Facilities Management.</p>	
<p>a) Signature of all contract documentation for goods & services (following any necessary legal advice and the agreement to award contract to successful bidder where appropriate)</p>	<p>Level 1 Officers</p>
<p>b) Subsequent variations to contracts (following any necessary legal advice)</p>	<p>Signatory under 7(a) or any officer of same or higher grade reference appendix 1</p>
<p>8. Sealing of Documents as Required by Law: For avoidance of doubt, this includes conveyances of interest in land and deeds.</p>	
<p>a) Authorisation to apply the Trust seal</p>	<p>Trust Board</p>
<p>b) Application of the Trust seal in accordance with Standing Orders</p>	<p>(1) The Chair or another person (namely, the Director of Corporate Development Governance and Assurance <u>and</u> (2) One other director of the Board</p>
<p>c) Custody of the Trust seal and the keeping of a register of sealings</p>	<p>Director of Corporate Development Governance and Assurance</p>
<p>9. Requisitioning - Non Pay Revenue and Capital Expenditure/Ordering/ Payment of Goods & Services: Note the following are subject to any temporary, additional approval requirements which may be implemented from time to time on the authority of the Board</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO
a) Orders up to £10,000	Level 3 Officers
b) Orders from £ 10,000 - £24,999	Level 2 Officers
c) Orders from £25,000 - £49,999	Level 1 Officers
d) Orders from £50,000 - £99,999	Executive Directors
e) Orders of £100,000 - £249,999	Deputy Chief Executive / Chief Operating Officer
f) Orders of £250,000 - £499,999	Director of Finance
g) Orders of £500,000 - £999,999	Chief Executive
h) Orders of £1,000,000 - £2,999,999	Chief Executive and Director of Finance
i) Orders > £3,000,0000	Trust Board
10. Capital Schemes	
a) Selection of architects, quantity surveyors, consultant engineer and other professional advisors within EU regulations	Director of Estates and Facilities (or their nominated officer), acting together with the project manager
b) Financial monitoring and reporting on all capital scheme expenditure	Director of Finance
c) Disposal or acquisition of land & land interests	Chair and Chief Executive, acting together
11. Agreements Concerning Interest in Land: See also requirements for sealing (above)	
a) Preparation and signature of all tenancy agreements/licences for all staff and others subject to Trust Policy on accommodation for staff.	

DELEGATED MATTER	AUTHORITY DELEGATED TO
b) Preparation and signature of all other tenancy agreements/licenses (including those through which the Trust is obtaining an interest on the premises of other organisations)	Director of Finance <u>acting with</u> the Director of Estates and Facilities
c) Amendments (including extensions and terminations) to existing leases	
d) Letting of premises to outside organisations	
e) Approval of rent based on professional assessment	
f) Approval of any concessionary leases or rents	
12. Condemning & Disposal : (Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively)	
a) revenue items with current / estimated purchase price < £100	Head of Department
b) revenue items with current purchase new price > £100	Condemning Officer
c) disposal of x-ray films (subject to estimated income of £2,500 per sale)	Head of Radiology
d) disposal of x-ray films (subject to estimated income between £2,500 and £5,000)	Head of Radiology & Director of Finance
e) disposal of x-ray films > £5,000	Chief Executive
f) disposal of capital assets with a zero net book value	Head of Department / Service Manager
g) disposal of mechanical and engineering plant (subject to estimated income	Project Manager

DELEGATED MATTER	AUTHORITY DELEGATED TO
of less than £1,000 per sale)	
h) disposal of mechanical and engineering plant (subject to estimated income between £1,000 and £5,000)	Director of Estates & Facilities
i) disposal of mechanical and engineering plant (subject to estimated income of > = £5,000)	Chief Executive
j) disposal of equipment (subject to estimated income of £5,000)	Chief Executive
13. Losses, Write-off & Compensation	
a) Losses of cash due to theft, fraud, overpayment and others b) Fruitless payments (including abandoned capital schemes) c) Bad debts and claims abandoned, including private patients, overseas visitors and other	£0 to £10k HOD / DDOF £10k to £50k DOF £50k to £100k CEO £100k + Trust Board £0 to £50k DDOF £50k to £100k DOF £100k to £250k CEO £250k + Trust Board Salary Overpayments £0k to £1k ADOF - FS £1k to £10k HOD / DDOF £10k to £50k DOF £50k to £100k CEO £100k + Trust Board Private Patients / Overseas Visitors £0k to £1k ADOF – FS / ADOF - IC £1k to £10k HOD / DDOF £10k to £50k DOF £50k to £100k CEO £100k + Trust Board

DELEGATED MATTER	AUTHORITY DELEGATED TO
d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson) or other e) Extra contractual payments to contractors f) Ex gratia payments - patients and staff for loss of personal effects g) Ex gratia payments - other	Non NHS Debtors £0k to £100k DOF / CEO £100k + Trust Board £0k to £50k DOF £50k to £100k CEO £100k + Trust Board £0k to £50k – DOF / CEO £0k to £10k (Personnel cases) (CPO) £0k to £5k (Loss of patient effects (HoD/DDoF)) £0k to £100k CEO £100K + Trust Board
h) Payments or admissions of liability for personal injury claims involving negligence where legal advice has been obtained and relevant guidance applied up to Trust delegated limit (in accordance with the scheme administered by NHS Resolution)	£0k to £100k CEO £100k + Trust Board
i) Compensation payments made under legal obligation	£0k to £100k DOF £100k to £500k CEO £500k + Trust Board
j) Reporting all Losses, Write-offs and Compensations to the Audit Committee	Director of Finance
14. Setting of Fees and Charges	
a) Private Patient, Overseas Visitors, Income Generation and other patient related services.	Director of Finance with the Director of Strategy and Partnerships
b) Charges for all NHS Contracts	Director of Finance with the Director of Strategy and Partnerships

DELEGATED MATTER	AUTHORITY DELEGATED TO
15. Engagement of Individuals not Employed by the Trust/Consultancy Services: (note that items 15 c) to 15 e) are also subject to additional Trust wide controls on agency staffing which may be varied from time to time and can be obtained from Human Resources)	
a) Non Medical Consultancy Staff	Director of Finance up to Trust delegated limit
b) Instructing Trust's Solicitors (including legal advice to be provided to organisations hosted by the Trust)	Director of Strategy and Partnerships
c) Nursing and Midwifery Temporary Staffing	Matrons (or above)
d) Medical Temporary Staffing	Medical Staffing / Medical Director / Divisional Director
e) All other staff groups	Divisional Manager (or above)
16. Reporting of Incidents to the Police	
a) All incidents	Individual Officers or LSMS Officers
17. Petty Cash Disbursements (not applicable to Central Cashiers Office)	
a) Expenditure up to £50 per item, including release of patients' monies by ward staff	Level 2 and 3 Officers
18. Trust Financial Procedures	
a) Maintenance & Update of Trust Financial Procedures	Director of Finance
19. Personnel and Pay: (note that section 19 is are also subject to additional Trust wide controls which may be varied from time to time and can be obtained from Human Resources)	

DELEGATED MATTER	AUTHORITY DELEGATED TO
a) Authority to fill funded post on the establishment with permanent staff	Authorised Appointing Officer with Finance Manager / Director of Finance / Chief Operating Officer
b) Authority to appoint staff to post not on the formal establishment	Executive Team Meeting / Finance & Performance Committee
c) Pay - Authority to complete standing data forms effecting pay, new starters, variations and leavers	Authorised Appointing Officer
d) Pay - Authority to complete and authorise staff attendance records	Authorised Appointing Officer
e) Pay - authority to authorise overtime /	Authorised Appointing Officer
f) Pay - authority to authorise travel & subsistence expenses	Authorised Appointing Officer
g) Pay - ad hoc payments	Level 1 and above
h) Pay - protection of pay and conditions	Chief People Officer
20. Authorisation of Research Projects	
a) Authorisation of R&I projects including clinical trials	Medical Director / Appropriate Divisional Director with * Director of Strategy and Partnerships ** Head of
b) Commercial research agreements	
c) Non commercial agreements *	
d) Material transfer agreements **	

DELEGATED MATTER	AUTHORITY DELEGATED TO
e) Sponsorship statements for NGH	Procurement
f) Sponsorship authorisation on research ethics application form	
g) Research agreements (delegating / clarifying responsibilities of chief/principal investigator at the trust)	
21. Infectious Diseases & Notifiable Outbreaks	
a) Notification to relevant authorities	Infection Prevention and Control Lead Officer
22. Overall Responsibility for Patients' Property	
a) Informing Patients, Guardians and Staff of Trust's Policy	All Clinical Teams Director of Nursing (belongings on ward/dept) Director of Finance (belongings in patient finance office) Director of Nursing (belongings on ward/dept) Director of Finance (belongings in patient finance office)
b) Overall Custody and Care	
c) Release of Patients' Property	
23. Partnership Arrangements	
a) Implementing processes for establishing and reviewing the effectiveness of all partnership arrangements	Chief Executive / Director of Strategy and Partnerships
24. Corporate Compliance	
a) Review of fire precautions	Director of Estates and Facilities Management
b) Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations	Director of Estates and Facilities Management

c) Review of Medicines Inspectorate Regulations	Chief Pharmacist
d) Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Director of Estates and Facilities Management
e) Compliance with the Data Protection Act	CIO in conjunction with Caldicott Guardian
f) Monitor proposals for contractual arrangements between the Trust and outside bodies	Director of Finance / Director of Strategy & Partnerships
g) Review of the Trust's compliance regarding confidential information (Senior Information Responsible Officer)	CIO
h) The keeping of registers for the following: ⇒ Declaration of Interests ⇒ Declaration of Sponsorship ⇒ Declaration of Hospitality	Director of Corporate Development Governance and Assurance
i) Retention of Records	Chief Information Officer

Key

CEO – Chief executive Officer

DoF – Director of Finance

HoD – Head of Department

DDoF – Deputy Director of Finance

CPO – Chief People Officer

ADOF –FS – Associate Director of Finance – Financial Services

ADOF – IC – Associate Director Finance – Income & Commissioning

SCHEME OF DELEGATION FOR NON-PAY EXPENDITURE - LIST OF OFFICER LEVELS

DELEGATED LEVELS	LIST OF OFFICERS
£3,000,000 and above	⇒ Trust Board
£1,000,000 to £2,999,999	⇒ Chief Executive with Director of Finance
£500,000 to £999,999	⇒ Chief Executive
£250,000 to £499,999	⇒ Director of Finance
£100,000 to £249,999	⇒ Deputy Chief Executive / Chief Operating Officer
£50,000 to £99,999 EXECUTIVE TEAM	⇒ Director of Nursing, Midwifery & Patient Services ⇒ Medical Director ⇒ Director of Corporate Development Governance and Assurance ⇒ Director of Strategy Partnerships ⇒ Director of Estates & Facilities ⇒ Director of Workforce, Development & Transformation
£25,000 to £50,000 LEVEL 1 OFFICERS	⇒ Divisional Directors ⇒ Divisional Managers ⇒ Deputy Directors

	⇒ Chief Pharmacist (pharmaceutical products only)
£10,000 to £24,999 LEVEL 2 OFFICERS	⇒ Heads of Service – Radiology / Therapies / Pathology ⇒ Heads of Corporate Departments/Specialties – IT / Facilities ⇒ Pathology Services Manager ⇒ Associate Director of Nursing ⇒ Associate Directors ⇒ Laboratory/Haematology Manager (blood products only) ⇒ Clinical Directors
Up to £9,999 LEVEL 3 OFFICERS	⇒ Matrons ⇒ Directorate Managers ⇒ Laboratory/Haematology Manager (except blood products) ⇒ Remaining budget holders

WAIVERS REPORTING CLARIFICATION

Waivers are a mechanism to capture purchased goods and/or services that for whatever reason have not gone through the Procurement route.

Some waivers presented are fully justified, for example where there is genuinely a sole supplier or a situation where moving away from the original equipment manufacturer (OEM) could impact on quality and/or the effective operation of goods/services in question.

For example;

- VARIAN Linear Accelerators (LINACS). Given the specialist nature of the equipment supplied, no other manufacturer or third party provider can service this equipment.
- Software licences – when the initial contract period has concluded the Trust may choose to continue using a particular piece of software and as such, licence and maintenance costs would still apply and tendering would add no value as it is only the software supplier who can licence and maintain.
- Olympus endoscopes can be maintained by third party providers, however, due to distribution licence agreements, only Olympus can supply OEM parts. Third parties rely on third party parts which if fitted can impact on quality and longevity of equipment.
- Standardisation – when purchasing equipment we do tender to drive best value, however, in subsequent years as monies become available we will purchase the same items to support standardisation ensuring familiarisation and clinical safety.

The above are just some example where we currently report waivers to Audit committee.

The proposal moving forward is that we continue to log all waivers as now, but only report genuine waivers to Audit Committee.

The full list will always be available for scrutiny, however, a clear list of exclusions will be agreed and communicated resulting in fewer waivers being reported to Audit committee. Therefore the waivers that are reported to Audit Committee would be those that would expect scrutiny.

For example;

- Breaches – Waiver on a waiver
- Waivers submitted after goods and/or services have been supplied
- Waivers in excess of EU legislation
- Waivers due to time constraints