

---

# **Standing Financial Instructions**

---

North West  
Ambulance Service  
NHS Trust

---

Approved by the Board of  
Directors: 24 April 2024

---

## Record of amendments

<b>Number</b>	<b>Section</b>	<b>Date</b>
1	Updated document issued for implementation	1 July 2006
2	Updated following Board approval, 27 September 2006	1 October 2006
3	Annual review, July 2007	25 July 2007
4	Annual review, September 2008	1 October 2008
5	Annual review, September 2009	30 September 2009
6	Annual review, November 2010	24 November 2010
7	Annual review, November 2011	25 January 2012
8	Annual review, January 2013	27 February 2013
9	Interim Amendment May 2014	7 May 2014
10	Annual review, September 2014	24 September 2014
11	Annual review, September 2015	30 September 2015
12	Annual Review, September 2016	28 September 2016
13	Annual Review, November 2017	17 November 2017
14	Annual Review, March 2019	24 April 2019
15	Annual Review, April 2020	27 May 2020
16	Annual Review, April 2021	28 April 2021
17	Annual review, April 2022	27 April 2022
18	Annual Review, April 2023	26 April 2023
19	Annual Review, April 2024	24 April 2024

---

---

# Standing Financial Instructions

---

---

## Table of Contents

1.	INTRODUCTION	4
2.	AUDIT	9
3.	INCOME, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING	14
4.	ANNUAL ACCOUNTS AND REPORTS	17
5.	BANK AND GOVERNMENT BANKING SERVICE ACCOUNTS	18
6.	INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS	19
7.	NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES	21
8.	TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES	22
9.	NON-PAY EXPENDITURE	25
10.	EXTERNAL BORROWING AND INVESTMENTS	30
11.	CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSETS REGISTERS AND SECURITY OF ASSETS	31
12.	STOCK, STORES AND RECEIPT OF GOODS	35
13.	DISPOSALS AND CONDEMNATIONS, INSURANCE, LOSSES AND SPECIAL PAYMENTS	37
14.	INFORMATION TECHNOLOGY	39
15.	PATIENTS PROPERTY	41
16.	FUNDS HELD ON TRUST	42
17.	TENDERING AND CONTRACT PROCEDURE	47
18.	ACCEPTANCE OF GIFTS AND HOSPITALITY BY STAFF	56
19.	RETENTION OF DOCUMENTS	57
20.	RISK MANAGEMENT	59
	SCHEDULE OF FINANCIAL DELEGATED LIMITS - ANNEX A	61

# 1. Introduction

## 1.1 General

- 1.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State, which require that each Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated within Standing Orders (SOs).
- 1.1.2 The Code of Conduct and Accountability in the NHS issued by the Department of Health and Social Care (DHSC) requires that each NHS organisation shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions are issued in accordance with the Code. They shall have effect as if incorporated within Standing Orders (SOs).
- 1.1.3 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Reservation of Powers to the Board and the Scheme of Delegation adopted by the Trust.
- 1.1.4 These SFIs identify the financial responsibilities which apply to everyone working for the Trust (see also s.1.2.2 below) and its constituent organisations, including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. The Director of Finance must endorse all financial procedures.
- 1.1.5 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's SOs. Failure to comply with Standing Financial Instructions and Standing Orders is a disciplinary matter, which could result in dismissal.
- 1.1.6 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
- 1.1.7 These SFIs apply to North West Ambulance Service NHS Trust and its statutory elements.

## 1.2 Terminology

1.2.1 In Standing Orders, Standing Financial Instructions, Reservation of Powers to the Board and Scheme of Delegation the following definitions apply:

<b>Terminology</b>	<b>Definition</b>
The 1990 Act	National Health Service and Community Care Act 1990
The 1977 Act	National Health Service Act 1977
Accountable Officer	Shall be the Officer responsible and accountable for funds entrusted to the Trust in accordance with the NHS Trust Accounting Officer Memorandum. They shall be responsible for ensuring the proper stewardship of public funds and assets. The Chief Executive is the designated Accountable Officer.
Board of Directors	The Board of Directors means the Chair, Executive and Non-Executive members of the Trust collectively as a body.
Budget	A resource, expressed in financial or workforce establishment terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
Budget holder	The director or employee with delegated authority to manage finances (income and expenditure) or workforce establishment budget for a specific area of the organisation.
Chair of the Board of Directors	The person appointed by the Secretary of State for Health and Social Care to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression 'Chair of the Trust' shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
Chief Executive	The Chief Officer of the Trust.
Committee	A Committee established and appointed by the Trust.
Contracting and Procuring	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	A member of the Board of Directors.
Director of Finance	The Chief Finance Officer of the Trust.
The Trust	North West Ambulance Service NHS Trust
Funds held on Trust	Those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.

<b>Terminology</b>	<b>Definition</b>
Member	An Executive or Non-Executive member of the Board as the context permits. Member in relation to the Board does not include its Chair.
Nominated Officer	An Officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
Non-Officer	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 reg.1(3) of the Membership, Procedure and Administration Arrangements Regulations.
Officer	An employee of the Trust or any other person holding a paid appointment or office with the Trust.
Partner	in relation to another person, a member of the same household living together as a family unit
Director of Corporate Affairs	A person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and Department of Health and Social Care guidance.
Standing Financial Instructions	(SFIs) regulate the conduct of the Trusts financial matters
Standing Orders	(SOs) regulate the business conduct of the Trust
<i>Ultra vires</i> transactions	Latin meaning "beyond the powers." Describes actions taken by government bodies or corporations that exceed the scope of power given to them by laws or corporate charters.
Virement	A movement between non-pay to pay on the same cost centre. A budget virement is a movement between cost centres in the same service line/just between service lines.

In accordance with the provisions of the Interpretation Act 1978, all references to the masculine gender shall be deemed to apply equally to the feminine gender when used in these instructions.

- 1.2.2 Wherever the title Chief Executive, Director of Finance, or other nominated officer is used in these instructions, it shall be deemed to include such other directors or employees who have been duly authorised to represent them.
- 1.2.3 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. Including nursing and medical staff and consultants practising on the Trust premises and members of staff of the PFI contractor or trust staff working for the contractor under a retention of employment model.

## **1.3 Responsibilities and delegation**

1.3.1 The Board of Directors exercises financial supervision and control by:

- a. formulating the financial strategy;
- b. requiring the submission and approval of budgets within overall income;
- c. defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and by ensuring appropriate audit provision; and
- d. defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document.

1.3.2 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Reservation of Powers to the Board document. The Board of Directors will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the Trust.

1.3.3 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors and, as the accountable officer, for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

1.3.4 The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.

1.3.5 It is a duty of the Chief Executive to ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions. All staff shall be responsible for ensuring compliance with the Standing Orders, Standing Financial Instructions and financial procedures of the Trust.

1.3.6 The Director of Finance is responsible for:

- a. implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies; (The SFIs themselves do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes)
- b. maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions; and
- c. ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time and, without prejudice to any other functions of directors and employees to the Trust, the duties of the Director of Finance include:
  - the provision of financial advice to other members of the Board of Directors and employees;

- the design, implementation and supervision of systems of internal financial control; and
- the preparation and maintenance of such accounts, certificates, estimates, records and financial reports as the Trust may require for the purpose of carrying out its statutory duties.

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

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

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

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



## 2. Audit

### 2.1 Audit Committee

2.1.1 In accordance with Standing Orders, the Board of Directors shall formally establish an Audit Committee, with clearly defined terms of reference, and following guidance from the 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 and information systems and monitoring the integrity of the financial statements and reviewing of significant financial reporting judgements;
- c. the monitoring of compliance with Standing Orders and Standing Financial Instructions;
- d. reviewing schedules of losses and compensation and making recommendations to the Board of Directors;
- e. reviewing the effective implementation of corporate governance measures to enable the Trust to implement best practice as set out in appropriate guidance. This will include the Assurance Framework and control-related disclosure statements; for example, the Annual Governance Statement and supporting assurance processes, together with any accompanying audit statement, prior to endorsement by the Board of Directors; and
- f. review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

2.1.2 The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.

2.1.3 Where the Audit Committee considers there is evidence of *ultra vires* transactions in, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board of Directors (to the Director of Finance in the first instance).

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

### 2.2 Director of Finance

2.2.1 The Director of Finance is responsible for:

- a. ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control, including the establishment of an effective internal audit function and the coordination of other assurance arrangements;
- b. ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;

- c. deciding at what stage to involve the police in cases of fraud, misappropriation and other irregularities, including theft not involving fraud or corruption; and
- d. ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board of Directors. The report must cover:
  - I. a clear opinion on the effectiveness of internal controls in accordance with current assurance framework guidance issued by the Department of Health and Social Care, 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; and
  - VI. a detailed plan for the coming year.

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

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

### **2.3 Internal audit**

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

2.3.2 Role of Internal Audit:

The role of internal audit embraces two key areas:

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

Internal audit will review, appraise and report upon:

- a. the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- b. the adequacy and application of financial and other related management controls;
- c. the suitability of financial and other related management data;

d. the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

- I. fraud and other offences
- II. waste, extravagance or inefficient administration
- III. poor value for money or other causes

e. Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health and Social Care (DHSC).

2.3.3 Whenever any matter arises which involves, or is thought to involve, irregularities, including theft, concerning cash, stores or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

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

2.3.5 The Head of Internal Audit shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every three years. Where, in exceptional circumstances, the use of normal reporting channels is thought to limit the objectivity of the audit, the Head of Internal Audit shall have access to report directly to the Chair or a non-executive member of the Trust's Audit Committee.

2.3.6 Managers in receipt of audit reports referred to them have a duty to take appropriate remedial action within the agreed timescales specified within the report. The Director of Finance shall identify a formal review process, including Audit Committee oversight, to monitor the extent of compliance with audit recommendations. Where appropriate, when remedial action has failed to take place within a reasonable period, the matter shall be reported to the Director of Finance.

## **2.4 External audit**

2.4.1 The External Auditor is appointed by the Trust and the service provided is paid for by the Trust. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, these should be raised with the Director of Finance in the first instance who will seek to resolve issues with the senior representative of the External Audit provider.

2.4.2 In line with the Code of Governance for NHS Provider Trusts, the Trust will adhere to the following requirements if the external auditors are engaged in any non-audit services for the Trust. It is not about work linked to the core audit activity of the Trust but relates to any additional work that may be commissioned. The Trust should not be deprived of relevant advice and expertise, when is it needed, should the External Auditors be able to demonstrate higher quality and more cost-effective service than other providers.

- A transparent procurement and approval process will be in place for any non-audit services, which will incorporate the following principles:
  - The Trust's External Auditor should not be prevented from competing for non-audit service work offered by the Trust, unless there is a clear conflict of interest. They will be required to provide a statement as to how any potential or likely conflict of interest will be addressed in any work it wishes to compete for.
  - The staff it supplies for such an engagement must be separate and independent from the staff who deliver the external audit service.
  - The team responsible for the appointment of the External Audit service should not form the majority of the representation of the tender selection process for the other non-audit service.
  - The fee for the provision of non-audit services should not exceed nor form a substantial percentage (<70%) of the External Audit fee in any given financial year.
  - Following tender and Audit Committee approval, a requisition will be raised for all non-audit services to ensure transparency of the work requested.
  
- Any non-audit services from the External Auditors will be approved, by the Audit Committee prior to commencement. This will be managed through the Audit Committee, as it is fundamental that the independence of the Trust's External Auditors in reporting to NWAS and the Non-Executive directors is not, or does not appear to be, compromised in terms of the objectivity of their opinion on the financial statement of the Trust.
  
- In exceptional circumstances and where the meeting schedule does not enable Audit Committee approval to be sought; a recommendation from the Executive Directors, agreed by the Audit Committee Chair can be passed to the Trust Secretary to exercise the use of emergency powers of the Trust.
  
- There will be transparent reporting, through the audit committee, of the value and nature of any non-audit work undertaken by the Trust's External Auditor.

## **2.5 Fraud and corruption**

- 2.5.1 The Trust shall take all necessary steps to counter fraud relating to its functions and in accordance with the requirements of the NHS Standard Contract relevant clauses and having regard to any reasonable guidance or advice issued by the NHS Counter Fraud Authority (NHS CFA). The Trust shall act in accordance with:
- a. the NHS Fraud and Corruption Manual; and
  - b. the policy statement 'Applying appropriate sanctions consistently' published by NHS Counter Fraud Authority.
- 2.5.2 The Chief Executive and Director of Finance shall monitor and ensure compliance with the requirements of the NHS Standard Contract clauses on fraud, bribery and corruption matters.
- 2.5.3 The Trust shall nominate a suitable person to carry out the duties of the Local Anti- Fraud Specialist as specified by the NHS Fraud and Corruption Manual and guidance.

2.5.4 The Local Anti-Fraud Specialist shall report to the Trust's Director of Finance and shall work with the staff in the NHS Counter Fraud Authority in accordance with the NHS Fraud and Corruption Manual.

2.5.5 The Local Anti-Fraud Specialist will provide a written work plan and report, at least annually, on anti-fraud work within the Trust.

## **2.6 Security management**

2.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with the requirements of the NHS standard contract relevant clauses on NHS security management.

2.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS).

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

### **3. Income, business planning, budgets, budgetary control and monitoring**

#### **3.1. Preparation and approval of business plans and budgets**

3.1.1 The Chief Executive will compile and submit to the Board of Directors a Strategic Direction document that encompasses an annual plan and takes into account financial targets and forecast limits of available resources. The annual plan will contain:

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

3.1.2 Prior to the start of the financial year, the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets relating to income and expenditure for approval by the Board of Directors. Such budgets will:

- a. be in accordance with the aims and objectives set out in the Trust's annual plan and aligned and agreed within our lead Integrated Care System (ICS) plans;
- b. accord with activity and workforce establishment plans;
- c. be produced following discussion with appropriate budget holders;
- d. be prepared within the limits of available funds;
- e. identify potential risks;
- f. be based on reasonable and realistic assumptions and reflect year-on-year cost efficiency and productivity programmes;
- g. be in line with national planning guidance issued by NHS England.

3.1.3 The Director of Finance shall monitor the financial performance against budgets, periodically review it and report to the Board of Directors. Any significant variances should be reported by the Director of Finance to the Board of Directors as soon as they come to light and the Board of Directors shall be advised of action to be taken in respect of such variances.

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

3.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year and will have a responsibility for the year-on-year identification of cost efficiency and productivity schemes.

3.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an ongoing basis to all budget holders to assist with financial management within the NHS finance regime.

## **3.2 Budgetary delegation**

3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. 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 pay or non-pay virement within their areas of responsibility, any proposed virement of budget between non-pay to pay or pay to non-pay requires approval by the Director of Finance, via the finance team;
- e. achievement of planned levels of service; and
- f. the provision of regular reports.

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

3.2.3 Any budgeted funds not required for their designated purposes(s) revert to the immediate control of the Chief Executive and will be considered as Productivity and Efficiency savings, or subject to any authorised use of virement.

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

## **3.3 Budgetary control and reporting**

3.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

- a. regular financial reports to the Resources Committee in a form approved by the Committee containing:
  - I. income and expenditure to date showing forecast year-end position;
  - II. statement of financial position, including movements in working capital;
  - III. cash flow statement;
  - IV. capital programme expenditure and forecast against plan;
  - V. explanations of any material variances from plan/budget;
  - VI. performance against cost efficiency and productivity programmes; and
  - VII. details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation.
  - VIII. Details of financial risks and the mitigating actions
- b. Financial performance is included in the Integrated Performance Report to the Board of Directors
- c. the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible

- d. investigation and reporting of significant variances from financial, activity and workforce establishment plans
- e. the monitoring of management action to correct variances
- f. arrangements for the authorisation of budget transfers
- g. advising the Chief Executive and Board of Directors of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the economic and financial impact of future plans and projects and review of the bases and assumptions used to prepare the budgets.

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

3.3.2 Each budget holder is responsible for ensuring that:

- a. any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board of Directors;
- b. officers shall not exceed the budget limit set;
- c. year on year cost efficiency and productivity schemes are identified;
- d. 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 requirements of the Trust's budgetary control procedures; and
- e. no permanent employees are appointed without the approval of the Chief Executive other than those provided for in the budgeted establishment as approved by the Board of Directors.

3.3.3 The Chief Executive is responsible for identifying and implementing cost efficiency and productivity improvements and income generation initiatives in accordance with the requirements of the approved financial plan.

### **3.4 Capital Expenditure**

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in section 11). A Project Sponsor will be identified who will assume responsibility for the budget relating to the scheme.

### **3.5 The monitoring returns**

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



## **4. Annual accounts and reports**

### **4.1 Accounts**

4.1.1 The Director of Finance, on behalf of the Trust, will:

- a. prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies and International Financial Reporting Standards;
- b. prepare and submit annual financial reports to the Department of Health and Social Care certified in accordance with current guidelines; and
- c. submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetables prescribed by the Department of Health and Social Care.

The Trust's annual accounts must be audited by an external auditor appointed by the Trust.

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

### **4.2 Annual Reports**

4.2.1 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 Department of Health and Social Care's Group Accounting Manual (GAM).

## **5. Bank and Government Banking Service Accounts**

### **5.1 General**

5.1.1 The Director of Finance is responsible for managing the Trust banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. Since 2010 the Trust has used the Government Banking Services (GBS) in line with national guidance for NHS Trusts.

5.1.2 The Board of Directors shall approve the banking arrangements.

### **5.2 Bank and Government Banking Service Accounts**

5.2.1 The Director of Finance is responsible for:

- a. bank accounts and Government Banking Service accounts, and other forms of working capital financing that may be available from the Department of Health and Social Care;
- b. establishing separate bank accounts for the Trust's non-exchequer funds (NEF) i.e. Charitable Funds;
- c. ensuring payments made from NEF and GBS accounts do not exceed the amount credited to the account except where arrangements have been made; and
- d. reporting to the Board of Directors all arrangements made with the Trust's bankers for accounts to be overdrawn (together with the remedial action taken).

All accounts should be held in the name of the Trust. No officer other than the Director of Finance shall open any account in the name of the Trust or for the purpose of furthering Trust activities.

### **5.3 Banking procedures**

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

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

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

5.3.3 The Director of Finance shall approve security procedures for any cheques issued without a hand-written signature e.g. lithographed. Manually produced cheques shall be signed by the authorised officer(s) in accordance with the bank mandate. All cheques shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.

## **6. Income, fees and charges and security of cash, cheques and other negotiable instruments**

### **6.1 Income Systems**

- 6.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 6.1.2 All such systems shall incorporate, where practicable, in full the principles of internal check and separation of duties.
- 6.1.3 The Director of Finance is also responsible for the prompt banking of all monies received.
- 6.1.4 The Chief Executive is responsible for ensuring appropriate arrangements are in place for the authorisation of contracts of service provision either through NHS or non NHS income activities.
- 6.1.5 The Scheme of Delegation for the authorisation of income contracts is outlined in the Schedule of Delegated Limits (Annex 1 of these SFIs).

### **6.2 Fees and charges other than Trust contract**

- 6.2.1 The Trust shall follow the Department of Health and Social Care's advice in the 'Costing Manual' in setting prices for NHS service agreements.
- 6.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health and Social Care's Commercial Sponsorship – Ethical standards in the NHS shall be followed.
- 6.2.3 All employees must have the authority from the Director of Finance in relation to any transactions which result in income for fees and charges for the Trust, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

### **6.3 Debt recovery**

- 6.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts, including a formal follow up procedure for all debtor accounts. Overpayments should be detected (or preferably prevented) and recovery initiated.
- 6.3.2 Income not received should be dealt with in accordance with losses procedure.

## 6.4 Security of cash, cheques and other negotiable instruments

6.4.1 The Director of Finance is responsible for:

- a. approving the form of all receipt books, agreement forms or other means of officially acknowledging or recording monies received or receivable; (no form of receipt which has not been specifically authorised by the Director of Finance should be issued);
- b. ordering and securely controlling any such stationery;
- c. the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys and for coin operated machines; and
- d. prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust

6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques, nor IOUs.

6.4.3 Staff shall be informed in writing on appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc.

6.4.4 All cheques, postal orders, cash etc, shall be banked promptly intact under arrangements approved by the Director of Finance.

6.4.5 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the 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.

6.4.6 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be monitored and recorded within the Finance Department. Any significant trends should be reported to the Director of Finance and Internal Audit via the incident reporting system. Where there is *prima facie* evidence of fraud or corruption this should follow the form of the Trust's Anti-Fraud and Corruption Policy and the guidance provided by the Local Anti-Fraud Specialist. Where there is no evidence of fraud or corruption the loss should be dealt with in line with the Trust's Losses and Compensations Procedures.

## 7. NHS service agreements for provision of services

### 7.1 Service Level Agreements / contracts

7.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Service Level Agreements (SLA) or contracts with service commissioners for the provision of NHS services.

All SLAs / contracts should aim to implement agreed local priorities 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 NHS National Performance Assessment Framework;
- that SLAs / contracts build where appropriate on existing Joint Investment Plans; and
- that SLAs / contracts are based on integrated care pathways and are affordable.

7.1.2 The appropriate NHS Standard Contract must be developed and adopted involving key stakeholders including clinicians, Patient and Public Panel representation, appropriate service/business management, Quality, Contracting and Finance Directorate representation, and public health professionals when appropriate. 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 commissioning of the service required. The SLA / contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

7.1.3 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 SLA / contract. This will include information on costing arrangements.

## **8. Terms of service, allowances and payment of members of the Board of Directors and employees**

### **8.1 Remuneration Committee**

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

8.1.2 The Committee will:

a) advise the Board of Directors about appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other Very Senior Managers in conjunction with NHSE where required ensuring that officers are fairly rewarded for their individual contribution to the Trust – having proper regard the Trust’s circumstances and performance and to the provisions of any national arrangements for such staff:

- approve all aspects of salary (including any performance related elements, bonuses)
- provisions for other benefits, including pensions and cars
- arrangements for termination of employment and other contractual terms.

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

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

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

### **8.2 Funded establishment**

8.2.1 The workforce plans are incorporated within the annual pay budget and form the funded establishment.

8.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or individual nominated within the relevant section of the Scheme of Delegation. The Finance Department are responsible for verifying that funding is available.

### **8.3 Staff appointments**

- 8.3.1 No Executive Director or employee may engage, re-engage or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:
- a. authorised to do so by the Chief Executive; or
  - b. within the limit of their approved budget and funded establishment as defined in the Scheme of Delegation, and in line with the Trust's procedures on recruitment.
- 8.3.2 The Board of Directors will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service etc for employees.

### **8.4 Processing the payroll**

- 8.4.1 The Director of People in conjunction with the Director of Finance is responsible for:
- a. specifying timetables for submission of properly authorised time records and other notifications;
  - b. the final determination of pay and allowances, including verification that the rate of pay and relevant conditions of service are in accordance with current agreements;
  - c. making payment on agreed dates; and
  - d. agreeing method of payment.
- 8.4.2 The Director of People and Director of Finance will issue instructions regarding:
- a. procedures for payment by cheque, bank credit to employees;
  - b. procedures for the recall of cheques and bank credits;
  - c. pay advances and their recovery;
  - d. maintenance of regular and independent reconciliation of pay control accounts;
  - e. separation of duties of preparing records and handling cash; and
  - f. a system to ensure the recovery from leavers of sums of money and property due by them to the Trust.
- 8.4.3 The Director of People 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; and
  - g. methods of payment available to various categories of employee.
- 8.4.4 Appropriately nominated managers have delegated responsibility for:

- a. processing a signed copy of the contract / appointment form and such other documentation as may be required immediately upon an employee commencing duty;
- b. submitting time records and other notifications in accordance with agreed timetables;
- c. completing time records and other notifications in accordance with the Director of People's instructions and in the form prescribed by the Director of People; and
- d. submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of People must be informed immediately. In circumstances where fraud might be expected this must be reported to the Director of Finance.

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

## **8.5 Contracts of employment**

- 8.5.1 The Board of Directors shall delegate responsibility to the Director of People for:
- a. Ensuring that all employees are issued with a Contract of Employment in a form approved by the Board of Directors and which complies with employment and health & safety legislation; and
  - b. Dealing with variations to or termination of contracts of employment.



## **9. Non-pay expenditure**

### **9.1 Delegation of authority**

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

9.1.2 The Chief Executive will set out:

- a. The list of managers who are authorised to place requisitions for the supply of goods and services; 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

### **9.2 Choice, requisitioning, ordering, receipt and payment for goods and services**

9.2.1 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 doing so, the advice of the Trust's procurement team shall be sought, and ensure compliance with section 12.2 of the SFIs in relation to receipt of goods and services.

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

9.2.3 The Director of Finance will:

- a. advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained and once approved, the thresholds should be incorporated in Scheme of Reservation and delegation and regularly reviewed;
- b. prepare procedural instructions where not already provided in the Scheme of Delegation via procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds;
- c. be responsible for the prompt payment of all properly authorised accounts and claims; and
- d. be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - i. a list of directors / employees (including specimens of their signatures) authorised to approve or incur expenditure. Where the authorisation system is computerised the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the

access and authority controls maintained within the computerised system. The list should be updated and reviewed on an ongoing basis.

II. certification that:

- Goods have been duly received, examined and are in accordance with specification and the prices are correct
- Work done or services rendered have been satisfactorily carried out in accordance with the order and where applicable, the materials used are of the requisite standard and the charges are correct
- In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with appropriate rates, the materials have been checked as regards quantity, quality and price and the charges for the use of vehicles, plant and machinery have been examined
- Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained
- The account is arithmetically correct
- The account is in order for payment

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

III. 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.

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.

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

- a. prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate;
- b. the appropriate officer in conjunction with the Procurement Department must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;

- c. the Director of Finance will need to be satisfied with the proposed arrangements before contractual agreements proceed (taking into account the public procurement rules where the contract is above a stipulated financial threshold); and
- d. the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

9.2.5 The Trust will enter into contracts with suppliers for good and services via the Trust's official orders. Budget holders should not be signing contracts with suppliers for services. The official orders must:

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

9.2.6 Managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- a. all contracts (other than for a purchase order permitted within the Scheme of Delegation or delegated budget) leases, tenancy agreements and other commitments which may result in a financial liability are notified and agreed by the Director of Finance in advance of any commitment being made;
- b. contracts above specified thresholds are advertised and awarded in accordance with the latest national policy and legislation, including any specific procuring in a national emergency guidance (e.g. Covid), on public procurement and comply with the White Paper on Standards, Quality and International Competitiveness (CMND8621);
- c. where consultancy advice is obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
- d. no order shall be issued for any item or items to any supplier which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - I. isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars
  - II. conventional hospitality, such as lunches in the course of working visits
- e. no requisition/purchase order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- f. all goods, services or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash or on purchasing cards;
- g. verbal orders must only be issued very exceptionally – by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked 'Confirmation Order';
- h. orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i. goods are not taken on trial or loan in circumstances that could commit the Trust to a future un-competitive purchase;
- j. changes to the list of directors/employees authorised to certify invoices are notified to the Director of Finance;

- k. purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- l. petty cash records are maintained in a form as determined by the Director of Finance;
- m. orders are ~~not~~ required to be raised for utility bills, NHS recharges, and ad hoc services such as private hospital fees. Payments must be authorised in accordance with the delegated limits set for non-pay expenditure.
- n. Purchases by credit cards are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance.
- o. Credit card purchase records are maintained in a form as determined by the Director of Finance.
- p. No local agreements/contracts for any goods or services should be signed without prior engagement with the Procurement Department.

9.2.7 The Chief Executive and Director of Finance 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 the NHS Trust Capital Accounting Manual. The technical audit of these contracts shall be the responsibility of the relevant director.

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

### **9.3 Joint finance arrangements with local authorities and voluntary bodies**

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

## **10. External borrowing and investments**

### **10.1 Public Dividend Capital**

- 10.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on and repay Public Dividend Capital (PDC) and any proposed new borrowing, within the limits set by the Department of Health and Social Care. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 10.1.2 The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.
- 10.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 10.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money and comply with the latest guidance from the Department of Health and Social Care.
- 10.1.5 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Director of Finance. The Board must be made aware of all short-term borrowings at the next Board meeting.
- 10.1.6 All long-term borrowing must be consistent with the plans outlined in the current LTFM and be approved by the Board of Directors.

### **10.2 Investments**

- 10.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State for Health and Social Care and authorised by the Board.
- 10.2.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 10.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## 11. Capital, investment, private financing, fixed assets registers and security of assets

### 11.1 Capital, Investment and Property

#### 11.1.1 The Chief Executive:

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

#### 11.1.2 For capital and revenue expenditure proposals the Chief Executive shall ensure (in accordance with the list outlined in the Scheme of Delegation):

- a. that a business case is produced in line with the guidance contained within the NHSE *Capital regime, investment and property business case approval guidance for NHS trusts* and HM Treasury Green Book 5 Case Model, identifying the following:
  - I. Business Justification Case/ Strategic Outline Case for Change for investments identifying SMART investment objectives, strategic alignment, risks, constraints and planned benefits (financial and non-financial) internal to NWAS; across the Public Sector; and the wider societal benefits, with the involvement of appropriate Trust personnel and external agencies.
  - II. an economic comprehensive investment appraisal be undertaken considering potential benefits, risks and financial costs to determine and the option with the highest net present societal benefit to cost ratio.
  - III. the commercial/procurement requirements to secure the best Value For Money (VFM) solution.
  - IV. the appropriate project management and control arrangements to ensure successful delivery including benefits realisation plan and post project evaluation methodology.
  - V. Any changes to the forecast expenditure associated with an approved business case where the final value of the completed scheme is forecast to be more than 10% or £500k (whichever is lower) in excess of the value requires re-approval by the appropriate Committee commensurate with the SFIs Scheme of Delegation limits.
- b. that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case

- 11.1.3 Where capital schemes are carried out under a contract which makes provision for staged / progress / interim payments, these payments shall be valued and certified in accordance with the terms of that contract prior to the approval and payment of any resulting invoice.
- 11.1.4 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 11.1.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

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

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

in accordance with the requirements contained within the Trust's Scheme of Delegation. The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the NHS Trust Capital Accounting Manual guidance and the Trust's Standing Orders.

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

## **11.2 Private finance**

- 11.2.1 The Trust should normally test for PFI when considering capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:
  - a. the Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers risks to the private sector;
  - b. where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health and Social Care for approval or treated as per current guidelines;
  - c. the proposal must be specifically agreed by the Board of Directors in the light of such professional advice as should reasonably be sought in particular with regard to providing assurance that the proposal is not *ultra vires*; and
  - d. the selection of a contractor / finance company must be on the basis of competitive tendering or quotations.



### **11.3 Asset registers**

- 11.3.1 The Chief Executive is responsible for maintenance of registers of assets, taking account of the advice of the Director of Finance 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.
- 11.3.2 The Trust shall maintain an Asset Register recording fixed assets. As a minimum, the minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.
- 11.3.3 Additions to the fixed Asset Register must be clearly identified to an appropriate budget holder and be validated by reference to:
- a. Properly authorised and approved agreements, 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.
  - d. Lease agreements in respect of Right of Use (ROU) assets that were previously treated as operating leases.
- 11.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 11.3.5 Where leases that are treated as ROU assets are terminated their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 11.3.6 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed Asset Registers.
- 11.3.7 The value of each asset shall be adjusted to current values in accordance with methods specified in the Capital Accounting Manual issued by the Department of Health and Social Care.
- 11.3.8 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual by the Department of Health and Social Care.
- 11.3.9 The Director of Finance shall calculate and pay capital charges as specified by the Department of Health and Social Care.

## **11.4 Security of assets**

- 11.4.1 The overall control of fixed assets is the responsibility of the Chief Executive advised by the Director of Finance.
- 11.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- a. recording managerial responsibility for each asset;
  - b. identification of additions and disposals;
  - c. identification of all repairs and maintenance expense;
  - d. physical security of assets;
  - e. periodic verification of the existence of, condition of and title to, assets recorded;
  - f. identification and reporting of all costs associated with the retention of an asset; and
  - g. reporting, recording and safekeeping of cash, cheques and negotiable instruments.
- 11.4.3 All significant discrepancies revealed by verification of physical assets to the fixed Asset Register shall be notified to the Director of Finance.
- 11.4.4 Whilst each employee has a responsibility for the security of property of the Trust, it is the responsibility of directors and senior employees in all disciplines to apply such appropriate routines security practices in relation to NHS property as may be determined by the Board of Directors. Any breach of agreed security practices must be reported in accordance with instructions.
- 11.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.
- 11.4.6 Where practical, assets should be marked as Trust property.

## 12. Stock, stores and receipt of goods

### 12.1 Stock and stores

- 12.1.1 Stocks are defined as those goods normally utilised in day to day activity, but which at a given point in time have not been used or consumed. There are three broad types of store:
- a. controlled stores – specific areas designated for the holding and control of goods;
  - b. departments – goods required for immediate usage to support operational services; and
  - c. manufactured items – where goods and consumables are being made or processes are being applied which add to the raw material cost of the goods.
- 12.1.2 Such stocks should be kept to a minimum and for:
- a. controlled stores and other significant stores (as determined by the Director of Finance) should be subjected to an annual stock take or perpetual inventory procedures; and
  - b. valued at the lower of costs and net realisable value.
- 12.1.3 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental employees and stores managers / keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a designated pharmaceutical officer; the control of any fuel oil of a designated estates manager.
- 12.1.4 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager. Wherever practicable, stocks should be marked as NHS property.
- 12.1.5 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipts of goods, issues and returns to stores and losses. Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 12.1.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 12.1.7 The designated manager shall be responsible for a system approved by the Director of Finance 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 Director of Finance any evidence of significant overstocking and of any negligence or malpractice. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of surplus and obsolete goods.

## **12.2 Receipt of goods**

- 12.2.1 A delivery note shall be obtained from the supplier at the time of delivery and shall be signed by the person receiving the goods. All goods received shall be checked, by the appropriate department, as regards quantity and/or weight and inspected as to quality and specification. Instructions shall be issued to staff covering the procedures to be adopted in those cases where a delivery note is not available.
- 12.2.2 All goods received shall be entered onto an appropriate goods received / stock record (whether a computer or manual system) on the day of receipt. If goods received are unsatisfactory, the records shall be marked accordingly. Further, where the goods received are found to be unsatisfactory or short on delivery, they shall only be accepted on the authority of the designated officer and the supplier shall be notified immediately.
- 12.2.3 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note to satisfy themselves that the goods have been received. The Finance Department will make payment on receipt of an invoice. This may also apply for high-level low volume items such as stationery.

## **12.3 Issue of stocks**

- 12.3.1 The issue of stocks shall be supplied by an authorised requisition note and a receipt for the stock issued shall be returned to the designated officer. Where a 'topping up' system is used, a record shall be maintained as approved by the Director of Finance. Regular comparisons shall be made of the quantities issued to departments and explanations recorded of significant variations.
- 12.3.2 All transfers and returns shall be recorded on forms / systems provided for the purpose and approved by the Director of Finance.

## **13. Disposals and condemnations, insurance, losses and special payments**

### **13.1 Disposals and condemnations**

- 13.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.
- 13.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 13.1.3 All unserviceable articles shall be:
- a. condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance; and
  - b. recorded by the condemning officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.
- 13.1.4 The condemning officer shall satisfy them self as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

### **13.2 Losses and special payments**

- 13.2.1 The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses and special payments. The Director of Finance must also prepare a fraud response plan that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.
- 13.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform the Director of Finance who will liaise with the Chief Executive or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the Director of Finance who will liaise with the Chief Executive.
- 13.2.3 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud or corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform their Local Anti-Fraud Specialist who will inform NHS Counter Fraud Authority before any action is taken and reach agreement how the case is to be handled.
- 13.2.4 Within limits delegated by the Department of Health and Social Care, the Board of Directors shall approve the writing-off of all losses and special payments in accordance with the Scheme of Delegated Financial Limits.

- 13.2.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 13.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 13.2.7 The Director of Finance 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.

### **13.3 Compensation claims**

- 13.3.1 The Trust is committed to effective and timely investigation and response to any claim which includes allegations of clinical negligence, employee and other compensation claims. The Trust will follow the requirements and note the recommendations of the Department of Health and Social Care and NHS Resolutions in the management of claims. Every member of staff is expected to cooperate fully, as required, in assessment and management of each claim.
- 13.3.2 The Trust will seek to reduce the incidence and adverse impact of clinical negligence, employee and other litigation by:
  - I. adopting prudent risk management strategies including continuous review;
  - II. implementing in full the NHS Complaints Procedure, thus providing an alternative remedy for some potential litigants;
  - III. adopting a systematic approach to claims handling in line with the best current and cost effective practice;
  - IV. following guidance issued by the NHS Resolution relating to clinical negligence;
  - V. maintaining Care Quality Commission registration standards; and
  - VI. implementing an effective system of Clinical Governance.
- 13.3.3 The Director of Corporate Affairs is responsible for clinical negligence, for managing the claims process and informing the Board of Directors of any major developments on claims related issues.

## **14. Information technology**

### **14.1 Responsibilities and duties of the Director of Finance**

14.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- a. devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 and the Computer Misuse Act 1990;
- b. ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness and timeliness of the data, as well as the efficient and effective operation of the system;
- c. ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d. ensure that adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent via transmission networks; and
- e. ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.

14.1.2 The Director of Finance shall satisfy themselves that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

14.1.3 The Director of Strategy, Partnerships and Transformation shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model publication scheme approved by the Information Commissioner. A publication scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

### **14.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application**

14.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of NHS Organisations in the region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:

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

### **14.3 Contracts for computer services with other health bodies or outside agencies**

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

### **14.4 Requirement for computer systems which have an impact on corporate financial systems**

- 14.4.1 Where computer systems have an impact on corporate financial systems the Director of Finance shall satisfy them self that:
- a. Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology strategy;
  - b. Data produced for use with financial systems is adequate, accurate, complete and timely and that a management (audit) trail exists;
  - c. Director of Finance staff have access to such data; and
  - d. Such computer audit reviews as are considered necessary are being carried out.

### **14.5 Risk assessment**

- 14.5.1 The Director of Finance shall ensure that risks to the Trust's financial systems arising from the use of IT are effectively identified, considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.



## **15. Patients property**

### **15.1 General**

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

Where staff take custody of personal property belonging to patients, local procedures should be followed.

## **16. Funds held on trust**

### **16.1 General**

- 16.1.1 The Trust has a responsibility as a corporate trustee for the management of funds it holds on trust. The management processes may overlap with those of the organisation of the Trust, the trustee responsibilities must be discharged separately and full recognition given to its dual accountabilities to the Charity Commission.
- 16.1.2 The reserved powers of the Board of Directors and the Scheme of Delegation make clear how decisions where discretion must be exercised are to be taken and by whom.
- 16.1.3 As management processes overlap most of the sections, these Standing Financial Instructions will apply to the management of funds held on trust.
- 16.1.4 The over-riding principle is that the integrity of each Trust must be maintained and statutory and trust obligations met. Materiality must be assessed separately from exchequer activities and funds.
- 16.1.5 Charitable Funds are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the Trust and the objectives of which are for the benefit of the NHS in England.
- 16.1.6 The Director of Finance shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of the Trust as trustees of non-exchequer funds, including an Investment Register.
- 16.1.7 The Director of Corporate Affairs shall be responsible for the day-to-day management and operation of the charity.

### **16.2 Existing Charitable Funds**

- 16.2.1 The Director of Finance shall arrange for the administration of all existing funds. A 'Deed of Establishment' must exist for every fund and detailed codes of procedure shall be produced covering every aspect of the financial management of charitable funds, for the guidance of fund managers. The Deed of Establishment shall identify the restricted nature of certain funds and it is the responsibility of fund managers, within their delegated authority and the Corporate Trustee, to ensure that funds are utilised in accordance with the terms of the Deed.
- 16.2.2 The Director of Finance shall periodically review the funds in existence and shall make recommendations to the Charitable Funds Committee regarding the potential for rationalisation of such funds within statutory guidelines.
- 16.2.3 The Director of Finance shall ensure that all funds are currently registered with the Charities Commission in accordance with the Charities Act 1993 or subsequent legislation.

### **16.3 New Charitable Funds**

- 16.3.1 The Director of Finance shall recommend the creation of a new fund where funds and / or other assets, received for charitable purposes, cannot adequately be managed as part of an existing fund. All new funds must be covered by a Deed of Establishment and must be formally approved by the Corporate Trustee.
- 16.3.2 The Deed of Establishment for any new fund shall clearly identify, *inter alia*, the objects of the new fund, the nominated fund manager, the estimated annual income and where applicable, the Charitable Funds Committee's power to assign the residue of the fund to another fund contingent upon certain conditions e.g. discharge of original objects.

### **16.4 Sources of new funds**

- 16.4.1 All gifts accepted shall be received and held in the name of the Charity and administered in accordance with the Charity's policy, subject to the terms of specific funds. As the Charity can accept gifts only for all or any purposes relating to the NHS, officers shall, in cases of doubt, consult the Director of Finance before accepting any gift. Advice to the Corporate Trustee on the financial implications of fund raising activities by outside bodies or organisations shall be given by the Director of Finance.
- 16.4.2 All gifts, donations and proceeds of fund raising activities, which are intended for the Charity's use, must be handed immediately to the treasury office to be banked directly to the Charitable Funds Bank Account.
- 16.4.3 In respect of donations, the Director of Finance alongside of Director of Corporate Affairs shall:
- a. provide guidelines to officers of the Trust as to how to proceed when offered funds. These will include:
    - I. the identification of the donor's intentions;
    - II. where possible, the avoidance of creating excessive numbers of funds;
    - III. the avoidance of impossible, undesirable or administratively difficult objects;
    - IV. sources of immediate further advice; and
    - V. treatment of offers for personal gifts; and
  - b. provide secure and appropriate receipting arrangements, which will indicate that donations have been accepted directly into the appropriate fund and that the donor's intentions have been noted and accepted.
- 16.4.4 In respect of Legacies and Bequests, the Director of Finance shall be kept informed of and record all enquiries regarding legacies and bequests.
- 16.4.5 In respect of fund raising, the final approval for major appeals will be given by the Board of Directors or Charitable Funds Committee. The Director of Finance along with the Director of Corporate Affairs shall:
- a. advise on the financial implications of any proposal for fund raising activities;
  - b. deal with all arrangements for fund raising by and / or on behalf of the Charity and ensure compliance with all statutes and regulations;

- c. be empowered to liaise with other organisations / persons raising funds for the Charity and provide them with an adequate discharge;
- d. be responsible for alerting the Charitable Funds Committee and the Board of Directors to any irregularities, including theft regarding the use of the Charity's name or its registration numbers; and
- e. be responsible for the appropriate treatment of all funds received from this source.

16.4.6 In respect of Trading Income (see also NHS Charitable Funds Guidance chapter 6), the Director of Finance along with the Director of Corporate Affairs shall:

- a. Be primarily responsible, along with designated fund managers, for any trading undertaken by the Charity; and
- b. Be primarily responsible for the appropriate treatment of all funds received from this source.

16.4.7 In respect of Investment Income, the Director of Finance shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source (see below).

## **16.5 Investment management**

16.5.1 The Corporate Trustee shall be responsible for all aspects of the management of the investment of charitable funds as delegated under the terms of the approved investment policy. The issues on which the Director of Finance shall be required to provide advice to the Charitable Funds Committee shall include:

- a. the formulation of investment policy which meets statutory requirements (Trustee Investment Act 1961) with regard to income generation and the enhancement of capital value;
- b. the appointment of advisors, brokers and where appropriate, investment fund managers and
  - I. the Director of Finance shall recommend the terms of such appointments; and for which
  - II. written agreements shall be signed by the Chief Executive;
- c. pooling of investment resources and the preparation of a submission to the Charity Commission for them to make a scheme;
- d. the participation by the Charity in common investment funds and the agreement of terms of entry and withdrawal from such funds;
- e. that the use of assets shall be appropriately authorised in writing and charges raised within policy guidelines;
- f. the review of the performance of brokers and fund managers; and
- g. the reporting of investment performance.

16.5.2 The Director of Finance shall prepare detailed procedural instructions concerning the receiving, recording investment and accounting for Charitable Funds

## **16.6 Expenditure from Charitable Funds**

16.6.1 Expenditure from Charitable Funds shall be managed by the Charitable Funds Committee or the Board of Directors on behalf of Corporate Trustee. In so doing the committee shall be aware of the following:

- a. The objects of various funds and the designated objectives;
- b. The availability of liquid funds within each trust;
- c. The powers of delegation available to commit resources;
- d. The avoidance of the use of exchequer funds to discharge endowment fund liabilities (except where administratively unavoidable) and to ensure that any indebtedness to the Exchequer shall be discharged by trust funds at the earliest possible time;
- e. That funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the trust; and
- f. The definition of 'charitable purposes' as agreed by the Department of Health and Social Care with the Charity Commission.

16.6.2 Delegated authority to incur expenditure which meets the purpose of the funds are set out in the Scheme of Delegations; exceptions are as follows:

- a. Any staff salaries / wages costs require Charitable Funds Committee or the Board of Directors approval; and
- b. No Funds are to be 'overdrawn'.

## **16.7 Banking services**

16.7.1 The Director of Finance shall advise the Charitable Funds Committee and with its approval, shall ensure that appropriate banking services are available in respect of administering the Charitable Funds. These bank accounts should permit the separate identification of liquid funds to each trust where this is deemed necessary by the Charity Commission.

## **16.8 Asset management**

16.8.1 Assets in the ownership of or used by the Trust, shall be maintained along with the general estate and inventory of assets of the Trust. The Director of Finance shall ensure:

- a. that appropriate records of all donated assets owned by the Trust are maintained and that all assets, at agreed valuations are brought to account;
- b. that appropriate measures are taken to protect and / or to replace assets. These to include decisions regarding insurance, inventory control and the reporting of losses;
- c. that donated assets received on Trust shall be accounted for appropriately; and
- d. that all assets acquired from Charitable Funds which are intended to be retained within the funds are appropriately accounted for.

## **16.9 Reporting**

- 16.9.1 The Director of Finance shall ensure that regular reports are made to the Corporate Trustee with regard to, *inter alia*, the receipt of funds, investments and expenditure.
- 16.9.2 The Director of Finance shall prepare annual accounts in the required manner, which shall be submitted, to the Corporate Trustee within agreed timescales.
- 16.9.3 The Director of Finance shall prepare an annual trustees' report and the required returns to the Charity Commission for adoption by the Charitable Funds Committee.

## **16.10 Accounting and audit**

- 16.10.1 The Director of Finance shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.
- 16.10.2 Distribution of investment income to the charitable funds and the recovery of administration costs shall be performed on a basis determined by the Director of Finance.
- 16.10.3 The Director of Finance shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year. They will liaise with external audit and provide them with all the necessary information.
- 16.10.4 The Corporate Trustee shall be advised by the Director of Finance on the outcome of the independent review.

## **16.11 Taxation and excise duty**

- 16.11.1 The Director of Finance shall ensure that the Charity's liability to taxation and excise duty is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.

## **17. Tendering and contract procedure**

### **17.1 Duty to comply**

- 17.1.1 The procedure for making all contracts by or on behalf of the Trust shall comply with the Standing Orders and Standing Financial Instructions (except where Suspension of Standing Orders is applied).
- 17.1.2 The Trust shall comply as far as is practicable with the requirements of the Department of Health and Social Care 'Capital Investment Manual' and 'Estate Code' in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health and Social Care guidance 'The Procurement and Management of Consultants within the NHS'.
- 17.1.3 The Trust should have policies and procedures in place for the control of all tendering activity.

### **17.2 Public Contracts directives governing public procurement**

- 17.2.1 The Public Contracts Directives promulgated by the Department of Health and Social Care (DHSC) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and Standing Financial Instructions. Procedure notes detailing thresholds and the differing procedures adopted must be maintained within the Trust.

### **17.3 Formal competitive tendering**

- 17.3.1 The Trust shall ensure that competitive tenders are invited for:

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

For tenders for the supply of healthcare these Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

- 17.3.2 Formal tendering procedures are not required where:

- a. the estimated expenditure or income does not, or is not reasonably expected to, exceed the limit set in the Schedule of Financial Delegated Limits (this figure to be reviewed annually); or
- b. the supply is proposed under special arrangements negotiated by the Department of Health and Social Care or other public sector representatives (for example Association of Ambulance Chief Executives (AACE)) in which event the said special arrangements must be complied with; or
- c. regarding disposals as set out in Standing Financial Instruction 'Disposals and Condemnations'.

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

- in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures and the circumstances are detailed in an appropriate Trust record; or
- where the requirement is covered by an existing contract;
- where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender; or
- where specialist expertise is required and is available from only one source (also includes memberships/subscriptions/licences); or
- when the task is essential to complete the project and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or
- there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or
- for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned; or
- where allowed and provided for in the NHS Trust Capital Accounting Manual; or
- Single source supplier – one accredited supplier for service; or
- Single source supplier – goods compatible with existing equipment and are essential to complete a project. In addition, engagement with an alternative provider for the additional work would be impractical; or
- Single source supplier – Original Equipment Manufacture's maintenance provision for existing equipment. Engagement with an alternative provider for the additional work would be impractical; or
- Where it was necessary to obtain goods/services without raising a Purchase Order in advance and a retrospective order is required; or
- Where the principal contractor or a key sub-contractor has gone into liquidation, administration or bankruptcy and is unable to complete a current project or commence a scheme which has just been awarded; or
- request approval for accepting a quotation/tender which is not the lowest as evaluations have shown that the clinical and operational benefits outweigh the financial savings of the lowest cost option.

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

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

*Note. The waiver process is a process of **last resort** and Procurement will explore all other options before supporting a waiver.*



### 17.3.5 Fair and adequate competition

Where the exceptions set out in SFI Nos 17.3.1 and 17.3.2 do not apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms / individuals to provide fair and adequate competition as appropriate and in no case less than two firms / individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required. However, in the unusual event that only one commercial organisation can provide the goods or services required consideration should be given to ensure that relevant procurement regulations are complied too.

### 17.3.6 Use of regional / national contracts

The Trust will, as far as is practicable, procure goods and services through established regional or national contracts or frameworks. Such contracts or frameworks are typically those awarded by the Shared Business Service Commercial Procurement Solution (SBSCPS), NHS Supply Chain, Crown Commercial Service (CCS) and other collaborative procurement organisations. The Trust will need to comply with the rules of the framework and the guidance supplied by the framework owner, relating to mini-competition or direct award.

### 17.3.7 Building and engineering construction works

Competitive Tendering cannot be waived for building and engineering construction works and maintenance without Department of Health and Social Care approval.

### 17.3.8 Items which subsequently breach thresholds after original approval

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

## 17.4 Contracting / tendering procedure

### 17.4.1 Invitation to tender

- I. All invitations to tender shall state the date and time as being the latest time for the receipt of tenders' and
- II. All invitations to tender shall state that no tender will be accepted unless submitted through the appropriate process as instructed within the tender documentation, generally electronically via the Trusts preferred electronic tendering portal.
- III. Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable; and
- IV. Every tender for building or engineering works shall comply with the specific national guidance relating to estates and construction, such as the NHS Estatecode documents.

#### 17.4.2 Receipt and safe custody of tenders

Electronic tenders will be held and locked electronically until the allocated time and date for opening. The lead Procurement Officer will unlock the tender to review the tender responses.

#### 17.4.3 Opening tenders

- I. As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, tenders will be opened by the Procurement lead, as delegated by the Head of Procurement or the Trust Procurement Manager or the Deputy Head of Procurement.
- II. The Trust's tendering portal will hold a full electronic record of all the tenders received in accordance with agreed system parameters.
- III. A register of tenders will be held in the Procurement Department.
- IV. Incomplete tenders i.e. those from which information necessary for the adjudication of the tender is missing and amended tenders i.e., those amended by the tenderer upon their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (SFI No 17.4.5)

#### 17.4.4 Admissibility

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

#### 17.4.5 Late tenders

- I. The electronic tender portal will not allow late submissions without a positive intervention from the lead Procurement Officer. Only in exceptional circumstances will this be permitted. The tender register will log the date and time of acceptance. A full justification must be recorded in the tender folder. The final decision to accept or reject late responses will be made by the Director of Finance with advice from the Head of Procurement
- II. While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall not be "opened" and held confidentially and securely on the tender portal.

#### 17.4.6 Acceptance of formal tenders (see overlap with SFI No 17.5)

- I. Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of a contract will not disqualify the tender.

- II. The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:
  - a. experience and qualifications of team members
  - b. understanding of client's needs
  - c. feasibility and credibility of proposed approach
  - d. ability to complete the project on time

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

- III. No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these instructions except with the authorisation of the Chief Executive and Director of Finance and subject to the requirements contained within the Trust's Scheme of Delegation.
- IV. The use of these procedures must demonstrate that the award of the contract was:
  - a. not in excess of the going market rate / price current at the time the contract was awarded
  - b. the best value for money was achieved
- V. All tenders should be treated as confidential and should be retained for inspection.

#### 17.4.7 Tender reports to the Board of Directors

Reports to the Board of Directors will be made in accordance with the Trust's Scheme of Delegation

#### 17.4.8 Financial Standing and Technical Competence of Contractors

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

## **17.5 Quotations: competitive and non-competitive**

### **17.5.1 General position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed the sum defined in the Schedule of Financial Delegated Limits.

### **17.5.2 Competitive quotations**

- I. Quotations should be obtained from at least 3 firms / individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust
- II. Quotations should be in writing unless the Chief Executive or their nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- III. All quotations should be treated as confidential and should be retained for inspection.
- IV. The Chief Executive or their nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

### **17.5.3 Non-competitive quotations**

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

- a. the supply of propriety or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations
- b. the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts
- c. miscellaneous services, supplies and disposals
- d. where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e. (i) and (ii) of this SFI) apply.

## **17.5 Quotations to be within financial limits**

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

## **17.6 Authorisation of tenders and competitive quotations**

17.6.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the staff as defined in the Scheme of Delegation. These levels of authorisation may be varied or changed. Formal authorisation must be set out in writing. In the case of authorisation by the Board of Directors this shall be recorded in their minutes.

## **17.7 Instances where formal competitive tendering or competitive quotation is not required**

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

- a. The Trust shall use NHS Supply Chain national frameworks or contracts for procurement of all goods and services unless the Chief Executive or nominated officers deem it appropriate. The decision to use alternative sources must be documented.
- b. If the above provision does not apply, where tenders or quotations are not required, because expenditure is below the levels defined in the Scheme of Delegation, the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance.

## **17.8 Private finance for capital procurement (see overlap with SFI No 11)**

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

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

## **17.9 Compliance requirements for all contracts**

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

- a. the Trust's Standing Orders and Standing Financial Instructions
- b. National Procurement Directives and Regulations and other statutory provisions
- c. any relevant directions including NHS Trust Capital Accounting Manual, Estatecode and guidance on the Procurement and Management of Consultants
- d. such of the NHS Standard Contract Conditions as are applicable
- e. contracts with Trusts must be in a form compliant with appropriate NHS guidance
- f. where appropriate, contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited
- g. in all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust

## **17.10 Personnel and agency or temporary staff contracts**

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

## **17.11 Healthcare service level agreements / contracts (see overlap with SFI No 7)**

17.11.1 Service level agreements / contracts with NHS providers for the supply of healthcare services shall be drawn up in accordance with the National Health Service Act 2006. Such service level agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a Public Benefit Corporation, is legally binding and is enforceable in law.

17.11.2 The Chief Executive shall nominate officers to commission service level agreements with providers of healthcare in line with a commissioning plan approved by the Board of Directors (refer to Scheme of Delegation).

## **17.12 Disposals (see overlap with SFI No 13)**

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

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

### **17.13 In-house services**

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

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

- a. specification group, comprising the Chief Executive or nominated officer/s and specialist
- b. in-house tender group, comprising a nominee of the Chief Executive and technical support
- c. evaluation team, comprising normally a specialist officer, a supplies officer and a Director of Finance representative.

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

17.13.4 The evaluation team shall make recommendations to the Board of Directors.

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

### **17.14 Applicability of SFIs on tendering and contracting to funds held in trust (see overlap with SFI No 16)**

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

## **18. Acceptance of gifts and hospitality by staff**

### **18.1 Policy**

- 18.1.1 The Director of Corporate Affairs shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy should follow the guidance contained in the NHS England guidance on managing conflicts of interest in the NHS and is also deemed to be an integral part of the Standing Orders and Standing Financial Instructions.

Refer to the Trust's Standards of Business Conduct: Policy on Managing Conflicts, Gifts and Hospitality and Sponsorship.



## **19. Retention of documents**

### **19.1 Context**

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

### **19.2 Accountability**

19.2.1 The Chief Executive and senior managers are personally accountable for records management within the organisation. Additionally, the organisation is required to take positive ownership of and responsibility for, the records legacy of predecessor organisations and / or obsolete services. Under the Public Records Act 1958 all NHS employees have responsibility for any records that they create or use in the course of their duties. Thus any records created by an employee of the NHS are public records and may be subject to both legal and professional obligations.

19.2.2 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in NHS Digital Records Management Code of Practice for Health and Social Care 2016.

### **19.3 Types of record covered by the Code of Practice**

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

- Patient health records (electronic or paper based)
- Records of private patients seen on NHS premises
- Accident and emergency, birth and all other registers
- Theatre registers and minor operations (and other related) registers
- Administrative records (including e.g. personnel, estates, financial and accounting records, notes associated with complaint handling)
- X-ray and imaging reports, output and other images
- Photographs, slides and other images
- Microform (i.e. fiche / film)
- Audio and video tapes, cassettes, CD-ROM, etc
- E-mails
- Computerised records
- Scanned records
- Text messages (SMS) and social media (both out-going from the NHS and incoming responses from the patient) such as Twitter and Skype
- Websites and intranet sites that provide key information to patients and staff.

### **19.4 Retrieval**

19.4.1 The documents held in archives shall be capable of retrieval by authorised persons.

**19.5 Disposal**

19.5.1 Documents held in accordance with the Records Management Code of Practice shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

## 20. Risk Management

### 20.1 Programme of Risk Management

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

The programme of risk management shall include:

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

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

### 20.2 Insurance: Risk Pooling Schemes administered by NHS Resolution

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

### 20.3 Insurance arrangements with commercial insurers

20.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, **three exceptions** when Trusts may enter into insurance arrangements with commercial insurers. The exceptions are:

- I. Trusts may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use
- II. 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
- III. 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. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements, the Director of Finance should consult the Department of Health and Social Care.

#### **20.4 Arrangements to be followed by the Board of Directors in agreeing insurance cover**

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

## Schedule of financial delegated limits - Annex A

### Authorisation of Purchase Requisitions (all Revenue and Capital items)

For all term related agreements, e.g. leases or long term maintenance contracts the authorisation limit relates to the total value of the contract. As an example a lease car with an annual value of £4,000 and with a three year agreement would have a contract value of £12,000 (£4,000 x 3) in terms of authority for signature.

Post holder	Level	Authorisation limits (including VAT)
Chief Executive	1	Up to £999,999
Director of Finance	2	Up to £249,999
Voting Director	3	Up to £99,999
Non-voting Director	4	Up to £49,999
Area Directors	5	Up to £49,999
A4C Band 8d/9	6	Up to £24,999
A4C Band 8c	7	Up to £14,999
A4C Band 8b	8	Up to £9,999
A4C Band 8a	9	Up to £7,499
A4C band 6/7	10	Up to £4,999
A4C Band 4/5	11	Up to £2,499

#### Note:

Expenditure of £1,000,000 and above requires authorisation by the Board of Directors as detailed in Reservation of Powers to the Board. In these cases, authorisation of requisition forms will be completed by the Chief Executive following appropriate Board approval.

### Authorisation of Purchase Orders (all Revenue and Capital items)

For all term related agreements, e.g. leases or long term maintenance contracts the authorisation limit relates to the total value of the contract. As an example a lease car with an annual value of £4,000 and with a three year agreement would have a contract value of £12,000 (£4,000 x 3) in terms of authority for signature.

<b>Post holder</b>	<b>Authorisation limits (including VAT)</b>
Procurement Assistant	Up to 999
Procurement Officer	Up to £2,499
Operational Procurement Officer	Up to £9,999
Senior Procurement Officer	Up to £24,999
Procurement Manager	Up to £49,999
Head of Procurement or Deputy Head of Procurement	Up to £99,999
Deputy Director of Finance	Up to £499,999
Chief Executive or Director of Finance (Deputy Director of Finance in the absence of Director of Finance)	>£500,000

Note:

Purchase Orders for all lease agreements must be authorised by the Director of Finance regardless of value.

### Requirement to obtain Quotes and Tenders (all Revenue and Capital items)

Value range (inc VAT)	Requirement	Electronic copy opened by	Adjudicated by	Contract awarded by
0-£9,999 (annual aggregated value)	At budget holder discretion	N/A	N/A	N/A
£10,000 to £29,999	Minimum of 3 formal written quotations	Lead Procurement Manager	Appropriate Service Line Finance Lead	Director
£30,000 to FTS threshold	Minimum of 3 formal tenders*	Lead Procurement Manager	Evaluation Panel (must include a Finance member)	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement
Above FTS threshold	FTS process must be followed*	Lead Procurement Manager	Evaluation Panel (must include a Finance member)	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement. =>£1m Board of Directors: delegated to the Executive Director of Finance.

\* To be published Find a Tender Portal

Note, to comply with Public Procurement Note 05/21 from April 2023 contracting authorities with an annual spend of £100m or more are required to publish procurement pipelines.

**Contract and Service Level Agreement Sign off (Electronic or Physical)**

All contracts and service level agreements must be reviewed by the Procurement Department before they are submitted for signing.

<b>Value range (inc VAT)</b>	<b>Contract/ agreements which do not commit the Trust to expenditure over one financial year.</b>	<b>Contracts/ agreement which commit the Trust to expenditure over more than one financial year.</b>
0-£9,999 (annual aggregated value)	N/A	Executive Director of Finance
£10,000 to £29,999	Executive Director of Finance, Delegated to Head of Procurement if contract ward decision ratified.	Executive Director of Finance
£30,000 to FTS threshold	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement
Above FTS threshold	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement. =>£1m Board of Directors: delegated to the Executive Director of Finance.	<£1m Trust Management Committee: delegated to the Executive Director of Finance, if the recommendation is endorsed by the Head of Procurement. =>£1m Board of Directors: delegated to the Executive Director of Finance.



### Authorisation of Charitable Funds expenditure

<b>Post holder</b>	<b>Authorisation limits (including VAT)</b>
Deputy Director of Finance or Head of Technical Accounts or Director of Corporate Affairs	0 to £2,499
Director of Finance or Chief Executive	£2,500 to £50,000
Charitable Funds Committee or Board of Directors on behalf of Corporate Trustee	>£50,001

### Condemnation and Disposal of Assets

<b>Post holder</b>	<b>Authorisation limits (including VAT)</b>
Relevant Executive Director and relevant Service Line Head of Finance	Where the net book value is up to £2,499 (subject to informal quotations for disposal)
Director of Finance	Where the net book value is between £2,500 and £24,999, (subject to competitive quotations for disposal)
Trust Management Committee	£25,000 to £249,999 (Subject to formal tender action to disposal)
Board of Directors	Where the net book value is =>£250,000, (subject to formal tender action for disposal)

**Losses, write off and compensation**

Board of Directors	<p>Write-off individual non-NHS debts in excess of £10,000.</p> <p>Ex-gratia payments for loss of personal effects above £10,000 (up to a maximum of £50,000).</p> <p>Losses (including cash) due to theft, fraud, overpayment and others in excess of £10,000 (up to a maximum of £50,000).</p> <p>Fruitless payments (including abandoned capital schemes) in excess of £10,000 (up to a maximum of £250,000).</p> <p>Damage to buildings, fittings furniture &amp; equipment and loss of equipment and property in stores and in use to culpable causes (e.g. fraud, theft, arson) or other in excess of £10,000 (up to a maximum of £50,000).</p> <p>Personal injury claims involving negligence where legal advice has been obtained and guidance applied in excess of £50,000 (up to a maximum of £1m).</p> <p>Clinical negligence claims where legal advice has been obtained and guidance applied in excess of £50,000 (up to a maximum of £1m).</p>
Chief Executive	<p>Ex-gratia payments for loss of personal effects between £5,000 and £10,000.</p> <p>Losses (including cash) due to theft, fraud, overpayment &amp; others between £5,000 and £10,000.</p> <p>Fruitless payments (including abandoned capital schemes) between £5,000 and £10,000.</p> <p>Damage to buildings, fittings furniture &amp; equipment and loss of equipment and property in stores and in use to culpable causes (e.g. fraud, theft, arson) or other between £5,000 and £10,000.</p>
Director of Finance	<p>Write-off individual non-NHS debts up to £10,000.</p> <p>Ex-gratia payments for loss of personal effects between £500 and £5,000.</p> <p>Losses (including cash) due to theft, fraud, overpayment and others up to £5,000.</p> <p>Fruitless payments (including abandoned capital schemes) up to £5,000.</p> <p>Damage to buildings, fittings furniture &amp; equipment and loss of equipment and property in stores and in use to culpable causes (e.g. fraud, theft, arson) or other up to £5,000.</p> <p>Compensation payments made under legal obligation (no limit).</p> <p>Personal injury claims involving negligence where legal advice has been obtained and guidance applied up to £50,000.</p>

	Clinical negligence claims where legal advice has been obtained and guidance applied up to £50,000.
Head of Technical Accounts	Write-off individual non-NHS debts between £11 and £100
Financial Services Manager	Write-off individual non-NHS debts up to £10

### Authorisation of Income Contracts/New Service Initiatives

Post holder	Authorisation limits (including VAT)
Director of Finance	Up to £250,000
Chief Executive	Over £250,000

### Deputisation

Post holders with delegated powers are able to assign their powers to a nominated deputy (agreed by the relevant Line Director) in the event of planned absences. Such assignment to be documented in a memorandum to the nominated deputy setting out precisely what authority is being assigned to.

In the event of unplanned absences, a similar procedure is to be followed although the memorandum would be prepared by the absent post holder's Line Manager.