

Once printed off this is an uncontrolled document.
Please check the intranet for the most up to date version.

BHT Governance Manual

This policy has been renamed from ‘STANDING ORDERS, RESERVATION AND DELEGATION of POWERS and STANDING FINANCIAL INSTRUCTIONS’ and now incorporates BHT Pol 061 Limits of Delegation Policy

Version:	12
Approved and ratified by:	Trust Board
Date approved:	October 2023
Author:	Trust Board Business Manager
Lead Director:	Chief Finance Officer
Name of responsible committee:	Trust Board
Document reference:	BHT Pol 089
Date re-issued:	October 2023
Review date:	October 2024
Location:	Corporate Governance Manual - Buckinghamshire Healthcare Intranet (buckshealthcare.nhs.uk)
Target Audience:	All staff
Equality Impact Assessment:	October 2023

Document history

Version	Issue	Reason for change	Authorising body	Date
12	a	Two yearly review and update	Trust Board	October 2023
11	a	Complete review; consolidation of BHT Pol 061 with BHT Pol 089	Trust Board	May 2021
10	a	Two-yearly review	Trust Board	23 March 2019
9	a	Two-yearly review	Trust Board	27 July 2016
8	a	Review and update	Trust Board	
7	b	Update of version 7a to reflect the voting structure of the Board	Trust Board	30 May 2012
7	a	Minor amendments	Trust Board	5 October 2011
7		Formal Review	Approved: Trust Management Committee	1 October 2010
			Ratified: Trust Board	23 November 2010
6	a	Excluded Limits of Delegation		January 2009
6		Based on model document issued by Department of Health in March		January 2008

Associated documents

BHT Ref	Title	Location/Link
BHT Pol 019	Declaration of Interests Policy	Declaration of interest policy - Buckinghamshire Healthcare Intranet (buckshealthcare.nhs.uk)
BHT Pol 032	Standards of Behaviours and Conduct Policy and Procedure	Standards of Behaviours and Conduct Policy and Procedure - Buckinghamshire Healthcare Intranet (buckshealthcare.nhs.uk)
BHT Pol 135	Monitoring Compliance with Legislation Policy	Monitoring compliance with legislation - Buckinghamshire Healthcare Intranet (buckshealthcare.nhs.uk)
BHT Pol 041	Counter Fraud and Bribery Policy	Counter fraud and bribery policy - Buckinghamshire Healthcare Intranet (buckshealthcare.nhs.uk)

Contents

SECTION A – Interpretation and definitions for Standing Orders and Standing Financial Instructions.....	10
SECTION B – Standing Orders	12
1.1 Statutory Framework.....	12
1.2 NHS Framework.....	12
1.3 Delegation of Powers	12
1.4 Integrated Governance.....	13
2 THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS	13
2.1 Composition of the Membership of the Trust Board.....	13
2.2 Appointment of Chairperson and Members of the Trust.....	13
2.3 Terms of Office of the Chairperson and Members	13
2.4 Appointment and Powers of Senior Independent Director	14
2.5 Joint Members.....	14
2.6 Patient and Public Involvement	14
2.7 Role of Members.....	14
2.8 Corporate role of the Board	15
2.9 Schedule of Matters reserved to the Board and Scheme of Delegation	15
2.10 Lead Roles for Board Members.....	16
3 MEETINGS OF THE TRUST.....	16
3.1 Calling meetings.....	16
3.2 Notice of Meetings and the Business to be transacted	16
3.3 Agenda and Supporting Papers.....	16
3.4 Petitions	17
3.5 Notice of Motion	17
3.6 Emergency Motions.....	17
3.7 Motions: Procedure at and during a meeting	17
3.8 Motion to Rescind a Resolution	18
3.9 Chairperson of Meeting	18
3.10 Chairperson's ruling.....	18
3.11 Quorum	19
3.12 Voting.....	19
3.13 Suspension of Standing Orders.....	19
3.14 Variation and amendment of Standing Orders.....	20
3.15 Record of Attendance.....	20
3.16 Minutes	20

3.17	Admission of public and the press	20
3.18	Observers at Trust meetings	21
4	APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES.....	21
4.1	Appointment of Committees	21
4.2	Joint Committees	21
4.3	Applicability of Standing Orders and Standing Financial Instructions to Committees.....	21
4.4	Terms of Reference.....	22
4.5	Delegation of powers by Committees to Sub-Committees	22
4.6	Approval of Appointments to Committees.....	22
4.7	Appointments for Statutory functions	22
4.8	Committees established by the Trust Board	22
5	ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION.....	24
5.1	Delegation of Functions to Committees, Officers or other bodies.....	24
5.2	Emergency Powers and urgent decisions.....	25
5.3	Delegation to Committees	25
5.4	Delegation to Officers	25
5.5	Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers	26
5.6	Duty to report non-compliance with Standing Orders and Standing Financial Instructions.....	26
6	OVERLAP WITH OTHER TRUST POLICY STATEMENTS/ PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS.....	26
6.1	Policy statements: general principles.....	26
6.2	Specific Policy statements.....	26
6.3	Standing Financial Instructions.....	26
6.4	Specific guidance	26
7	DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS.....	26
7.1	Declaration of Interests	26
7.2	Register of Interests.....	28
7.3	Exclusion of Chairperson and Members in proceedings on account of pecuniary interest.....	28
7.4	Standards of Business Conduct	31
8	CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS.....	32
8.1	Custody of Seal.....	32
8.2	Sealing of Documents	32
8.3	Register of Sealing.....	32

8.4	Signature of documents	32
9	MISCELLANEOUS.....	32
9.1	Joint Finance Arrangements.....	32
	SECTION C – Standing Financial Instructions.....	33
10.1	Introduction	33
10.2	Responsibilities and delegation	33
10.2.1	The Trust Board	33
10.2.2	The Chief Executive and Directors of Finance (DOF)	34
10.2.3	The Director of Finance (DOF)	34
10.2.4	Board Members and Employees	35
10.2.5	Contractors and their employees.....	35
11	AUDIT	35
11.1	Audit Committee.....	35
11.2	Director of Finance (DOF)	36
11.3	Role of Internal Audit.....	36
11.4	External Audit.....	37
11.5	Fraud and Corruption	37
11.6	Security Management	38
12	ANNUAL ACCOUNTS AND REPORTS	39
13	BANK ACCOUNTS	39
13.1	General	39
13.2	Bank Accounts	39
13.3	Banking Procedures	39
13.4	Tendering and Review	40
14	INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS	40
14.1	Income Systems.....	40
14.2	Fees and Charges.....	40
14.3	Debt Recovery	40
14.4	Security of Cash, Cheques and other Negotiable Instruments.....	40
15	INCOME - NHS CONTRACTS FOR PROVISION OF SERVICES.....	41
15.1	Introduction - commissioning healthcare in the NHS.....	41
15.2	The NHS Standard contract	41
15.3	Trust responsibilities to agree the contract with Commissioners	41
15.4	Contractual control and reports to Board	42
15.5	Work done that is not covered or restricted by the contract	42
16	ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING.....	43

16.1	Preparation and Approval of Plans and Budgets	43
16.2	Budget Holders	44
16.3	Budgetary Delegation	44
16.4	Budgetary Control and Reporting	44
16.5	Capital Expenditure	45
16.6	Monitoring Returns	46
17	TENDERING AND CONTRACTING	Error! Bookmark not defined.
17.1	Duty to comply with Standing Orders and Standing Financial Instructions	Error! Bookmark not defined.
17.2	Legislation Governing Public Procurement	Error! Bookmark not defined.
17.3	Reverse eAuctions	Error! Bookmark not defined.
17.4	Capital Investment Manual and other Department of Health Guidance	Error! Bookmark not defined.
17.5	Formal Competitive Tendering	Error! Bookmark not defined.
17.6	Contracting/Tendering Procedure	Error! Bookmark not defined.
17.7	Quotations: Competitive and non-competitive	Error! Bookmark not defined.
17.8	Authorisation of Tenders and Competitive Quotations	Error! Bookmark not defined.
17.9	Instances where formal competitive tendering or competitive quotation is not required	Error! Bookmark not defined.
17.10	Private Finance for capital procurement (see overlap with SFI 23.2)	Error! Bookmark not defined.
17.11	Contract and Contract Variation	Error! Bookmark not defined.
17.12	Compliance requirements for all contracts	Error! Bookmark not defined.
17.13	Framework	Error! Bookmark not defined.
17.14	Personnel and Agency or Temporary Staff Contracts	Error! Bookmark not defined.
17.15	Healthcare Services Agreements (see overlap with SFI 20) ..	Error! Bookmark not defined.
17.16	Disposals (See overlap with SFI 25)	Error! Bookmark not defined.
17.17	In-house Services	Error! Bookmark not defined.
17.18	Applicability of SFIs on Tendering and Contracting to funds held in trust (see overlap with SFI 28)	Error! Bookmark not defined.
18.	PAY EXPENDITURE	50
18.1	Remuneration and Terms of Service (see overlap with SO 4)	50
18.2	Funded Establishment	51
18.3	Staff Appointments	51
18.4	Processing Payroll	51
18.5	Expenses payable to staff	52
18.6	Contracts of Employment	52

19.	NON-PAY EXPENDITURE.....	52
19.1	Delegation of Authority	52
19.2	Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with SFI 17)	53
19.3	Petty Cash	54
19.4	Paying in advance – prepayments.....	55
19.5	Official orders	55
19.6	Duties of Managers and Officers	55
19.7	Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order 9.1)	56
20.	TRUST COMMISSIONING OF HEALTHCARE SERVICES	56
20.1	Role of the Chief Executive	56
20.2	Role of Director of Finance.....	57
21.	EXTERNAL BORROWING.....	57
22.	INVESTMENTS.....	57
23.	CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS.....	57
23.1	Capital Investment	57
23.2	Private Finance (see overlap with SFI 17.10).....	59
23.3	Asset Registers	59
23.4	Security of Assets.....	59
24.	STORES AND RECEIPT OF GOODS	60
24.1	General position.....	60
24.2	Control of Stores, Stocktaking, condemnations and disposal	60
24.3	Goods supplied by NHS Supply Chain	61
25.	DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS	61
25.1	Disposals and Condemnations.....	61
25.2	Losses and Special Payments	61
26.	INFORMATION TECHNOLOGY	62
26.1	Responsibilities and duties of the Director for Finance	62
26.2	Risk Assessment.....	63
26.3	Requirements for Computer Systems which have an impact on corporate financial systems.....	63
27.	PATIENTS' PROPERTY	63
28.	FUNDS HELD ON TRUST	64
28.1	Corporate Trustee	64
28.2	Accountability to Charity Commission and Secretary of State for Health	64
28.3	Applicability of Standing Financial Instructions to funds held on Trust	64

29.	ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO 6.2 and SFI 19.2.3 & 19.6)	64
30.	RETENTION OF RECORDS.....	65
31.	RISK MANAGEMENT AND INSURANCE	65
31.1	Programme of Risk Management.....	65
31.2	Insurance: Risk Pooling Schemes administered by NHS Resolution	65
31.3	Insurance arrangements with commercial insurers.....	66
31.4	Arrangements to be followed by the Board in agreeing Insurance cover	66
	SECTION D – SCHEME OF RESERVATION AND DELEGATION	67
32.	Reservation of Matters to the Board	67
	General Enabling Provision	67
	Regulations and Control	67
	Appointments/Dismissal	67
	Strategy, Plans and Budgets	67
	Policy Determination.....	68
	Audit 68	
	Annual Reports and Accounts	68
	Monitoring	68
33.	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES	69
	Executive Management Committee	69
	Audit Committee.....	69
	Nominations and Remuneration Committee	72
	Quality and Clinical Governance Committee.....	73
	Finance and Business Performance Committee	73
	Charitable Funds Committee	74
34.	SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM.....	75
35.	SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY.....	76
36.	SCHEME OF DELEGATION FROM STANDING ORDERS	77
37.	SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS	77
	Schedule 1:	86
	Authority to commit or spend Trust money - delegated limits.....	86
	Responsibilities set out in Standing Financial Instructions	86
	Formal authorisation.....	86
	Automated Trust financial and purchasing processes.....	86
1.	Introduction	87
2	Limits Conditions of Use.....	87

3	Limits of Authority.....	87
3.1(a)	Authority to approve Revenue expenditure	88
3.1(b)	Authority for Pharmacy to approve expenditure on Drugs	88
3.2	List of approved exceptions from the delegated limits shown above:.....	89
3.3	List of approved exceptions from the delegated limits shown above: Mandated Supplies	90
3.4	Authority to approve Waiver of Competitive Tender/Quotation (subject to compliance with Procurement legislation).....	90
3.5	Tender Limits	Error! Bookmark not defined.
3.7	Authority to approve Capital expenditure (inc VAT)	91
3.8	Authority to approve losses for write-off	91
3.9	Authority to dispose of surplus assets	92
3.10	Authority to accept or expend Charitable Funds	92
3.11	In-House Bids in respect of Competitive Tendering.....	92
3.12	Changing Banking Arrangements.....	92
3.13	Setting Up Commercial ventures	92
3.14	Authority to approve Income Contracts for Patient Related Activity	92
4.	Monitoring Arrangements	93
Annex 1		94
Annex 2 – Asset Register: notification of change.....		95
Annex 3 – Request for Waiver of Trust’s Standing Orders / Standing Financial Instructions requiring Competitive Tenders or Quotations		96
SECTION E – CODES OF ACCOUNTABILITY AND CONDUCT FOR NHS BOARDS		97
38.	CODE OF CONDUCT FOR NHS BOARDS	98
39.	CODE OF ACCOUNTABILITY FOR NHS BOARDS	100
SECTION E APPENDIX 1		103
Annex 4 Equality Impact Assessment.....		105

SECTION A – Interpretation and definitions for Standing Orders and Standing Financial Instructions

- 0.1 Save as otherwise permitted by law, at any meeting the Chairperson of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Trust Board Business Manager).
- 0.2 Any expression to which a meaning is given in these Standing Orders and Standing Financial Instructions is defined as follows:
- 0.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 0.2.2 "**Trust**" means the Buckinghamshire Healthcare NHS Trust.
- 0.2.3 "**Board**" means the Board of Directors – the Chairperson, Executive and Non-Executive Directors of the Trust collectively as a body.
- 0.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 0.2.5 "**Budget holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 0.2.6 "**Chairperson of the Board (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairperson of the Trust" shall be deemed to include the Senior Independent Director of the Trust if the Chairperson is absent from the meeting or is otherwise unavailable.
- 0.2.7 "**Chief Executive**" means the chief officer of the Trust. The Chief Executive is the Trust's Accountable Officer.
- 0.2.8 "**Commissioning**" means the process for determining the need for and for obtaining the supply of healthcare and related services either by clinical Commissioning groups, the National Commissioning Board, the Trust itself or others. Can sometimes be referred to as "purchasing" or "procuring" healthcare.
- 0.2.9 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 0.2.10 "**Committee members**" means persons formally appointed by the Board or delegated body to sit on or to chair specific committees.
- 0.2.11 "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 0.2.12 "**CFO**" means Chief Finance Officer, the Director with responsibility for oversight of Trust finances (and other areas as defined in their specific job description).
- 0.2.13 "**Executive Management Committee**" (**EMC**) means the senior management committee whose role includes the development and implementation of strategy, operational plans, policies, procedures and budgets.
- 0.2.14 "**Finance and Business Performance Committee**" (**F&BPC**) means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the financial and business performance for which the Buckinghamshire Healthcare NHS Trust has responsibility

- 0.2.15 **"Funds held on trust"** shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.
- 0.2.16 **"Member"** means officer or non-officer member of the Board as the context permits. Member in relation to the Board does not include its Chairperson.
- 0.2.17 **"Associate Member"** means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Board for them to perform and these duties have been recorded in an appropriate Board minute or other suitable record.
- 0.2.18 **"Membership, Procedure and Administration Arrangements Regulations"** means NHS Membership and Procedure Regulations (SI1990/2024) and subsequent amendments.
- 0.2.19 **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 0.2.20 **"Non-officer Member"** means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 0.2.21 **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 0.2.22 **"Officer Member"** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairperson of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 0.2.23 **"Quality and Clinical Governance Committee"** (Q&CGC) means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the safety and quality of healthcare for which the Buckinghamshire Healthcare NHS Trust has responsibility.
- 0.2.24 **"Secretary"** means a person or a person who is undertaking the duties of Board Secretary appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairperson and monitor the Trust's compliance with the law, Standing Orders, and Department of Health, NHS England/Improvement guidance. In the case of Buckinghamshire Healthcare NHS Trust this is the Trust Board Business Manager.
- 0.2.25 **"SFIs"** means Standing Financial Instructions.
- 0.2.26 **"SOs"** means Standing Orders.
- 0.2.27 **"SOFIs"** means Standing Orders and Standing Financial Instructions.
- 0.2.28 **"Senior Independent Director"** means the Non-Executive Director appointed by the Board to take on the Chairperson's duties if the Chairperson is absent for any reason.
- 0.2.29 **"Strategic People Committee" (SPC)** means a committee whose functions are concerned with the arrangements for the purpose of receiving assurance on workforce, organisational development, and health and safety issues for which the Buckinghamshire Healthcare NHS Trust has responsibility.

SECTION B – Standing Orders

1.1 Statutory Framework

- 1.1.1 The Buckinghamshire Healthcare NHS Trust (the Trust) is a statutory body which came into existence on 1 April 2003 under The Buckinghamshire Hospitals NHS Trust (Establishment) Order 2002 No 2419, (the Establishment Order). The Trust's name was changed to the Buckinghamshire Healthcare NHS Trust on 1 November 2010 (Change of Name) Order 2010 No 2461.
- 1.1.2 The principal place of business of the Trust is Stoke Mandeville Hospital, Mandeville Road, Aylesbury HP21 8AL.
- 1.1.3 NHS Trusts are governed by Act of Parliament, Mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995, the Health Act 1999, the Health and Social Care Act 2012 and the Health and Social Care Act (Safety and Quality) 2015).
- 1.1.4 The functions of the Trust are conferred by this legislation.
- 1.1.5 As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.
- 1.1.6 The Trust also has statutory powers under the legislation to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- 1.1.7 The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- 1.1.8 The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- 1.2.1 In addition to the statutory requirements the Secretary of State through the Department of Health issues further directions and guidance. These are normally issued under cover of a circular or letter.
- 1.2.2 The Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members.
- 1.2.3 The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS. The Freedom of Information Act 2000 which came into effect on 1 January 2005 supersedes the Code of Practice on Access to Government Information 1997 (The Code of Practice).

1.3 Delegation of Powers

- 1.3.1 The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of

the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated Powers are covered in a separate section (Reservation of Powers to the Board and Delegation of Powers Section D). This document has effect as if incorporated into the Standing Orders. Delegated Powers are covered in 'Schedule of Matters reserved to the Board and Scheme of Delegation' and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.4 Integrated Governance

The Board operates an integrated governance approach covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health on integrated governance was first issued in 2006.

- 1.4.1 Governance describes the processes the Trust uses to ensure it:
- is led and managed properly;
 - delivers what it is expected and required to, and;
 - manages risks that might prevent that delivery.
- 1.4.2 At the heart of these processes is decision making informed by intelligent information covering the full range of performance against objectives and targets for corporate, financial, clinical, service, information and research functions. The processes themselves are integrated into the way the Trust operates and define its internal control, which in turn is reported on as a formal statement in the annual accounts (the statement of internal control).

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

2.1 Composition of the Membership of the Trust Board

- 2.1.1 In accordance with the Membership, Procedure and Administration Arrangements regulations the voting membership of the Board shall be:
- (a) The Chairperson of the Trust (Appointed by NHS Improvement (NHSI) under delegated authority from the Secretary of State);
 - (b) Up to 5 Non-executive members (appointed by NHSI under delegated authority from the Secretary of State);
 - (c) Up to 5 Executive members (but not exceeding the number of Non-executive members) who will be the Chief Executive; the Chief Finance Officer; the Chief Medical Officer; the Chief Nurse; and the Chief Operating Officer
- 2.1.2 The Trust shall have not more than 11 and not less than 8 members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).
- 2.1.3 In addition to officer members of the Board, the Trust may have other Executive Directors, Associate Non-Executive Directors, and Board Affiliates, who take part in Board discussions and deliberations; however, these Directors do not have any voting rights in Board decisions.

2.2 Appointment of Chairperson and Members of the Trust

- 2.2.1 Appointment of the Chairperson and Members of the Trust - Paragraph 2(1) of the NHS Act 2006 provides that the Chairperson is appointed by the Secretary of State for health and Social Care but otherwise the appointment and tenure of office of the Chairperson and members are set out in the Membership, Procedure and Administration Arrangements Regulations.

2.3 Terms of Office of the Chairperson and Members

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

2.4 Appointment and Powers of Senior Independent Director

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

2.5 Joint Members

- 2.5.1 Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership, Procedure and Administration Arrangements Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.
- 2.5.2 Where the office of a member of the Board is shared jointly by more than one person:
- (a) either or both of those persons may attend or take part in meetings of the Board;
 - (b) if both are present at a meeting, they should cast one vote if they agree;
 - (c) in the case of disagreements, no vote should be cast;
 - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 Quorum.

2.6 Patient and Public Involvement

- 2.6.1 Sections 242 and 244 of The National Health Service Act 2006, and section 233 of the Local Government and Public Involvement in Health Act 2007 state (in summary) that an NHS Trust must make arrangements with regards to the health services for which it is responsible, which secure that users of those services whether directly, or through representatives are involved in:
- a) the planning of the provision of those services
 - b) the development and consideration of proposals for changes in the way those services are provided, and
 - c) decisions to be made by that body affecting the operation of those services
- but only if:**
- 2.6.2 Implementation of the proposal would have an impact on the manner in which the services are delivered to users of those services, or the range of health services available to those users.
- 2.6.3 The Board has made these arrangements through publication and implementation of a Communications and Engagement Strategy ratified by the Board.

2.7 Role of Members

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

(a) Executive Members

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

(b) Chief Executive

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

(c) Chief Finance Officer (CFO)

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

(d) Non-Executive Members

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

(e) Chairperson

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

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

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

2.8 Corporate role of the Board

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

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

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

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

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

The Board has resolved that certain powers and decisions may only be exercised by the Board

in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation (see section D).

2.10 Lead Roles for Board Members

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

3 MEETINGS OF THE TRUST

3.1 Calling meetings

- 3.1.1 Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
- 3.1.2 The Chairperson of the Trust may call a meeting of the Board at any time.
- 3.1.3 One third or more members of the Board may requisition a meeting in writing. If the Chairperson refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

3.2 Notice of Meetings and the Business to be transacted

- 3.2.1 Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member at least three clear days before the meeting. The notice shall be approved electronically by the Chairperson or by an officer authorised by the Chairperson to approve on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- 3.2.2 In the case of a meeting called by members in default of the Chairperson calling the meeting, the notice shall be signed by those members.
- 3.2.3 No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- 3.2.4 A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairperson at least ten clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than ten days before a meeting may be included on the agenda at the discretion of the Chairperson.
- 3.2.5 Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least **three** clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

3.3 Agenda and Supporting Papers

- 3.3.1 The Agenda will be sent to members **five days** before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than three clear days (not working days) before the meeting, save in emergency.
- 3.3.2 The Trust will publish a copy of Board papers on the Trust website (making the papers available publicly) in line with the requirements (3.3.1) above. Spare sets of papers will always be available on the day of the Board meeting when meeting physically and

members of the public are invited to attend in person. Meeting papers are made available for Board members via a secure web-based portal.

3.4 Petitions

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

3.5 Notice of Motion

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

3.6 Emergency Motions

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

3.7 Motions: Procedure at and during a meeting

3.7.1 Who may propose?

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

3.7.2 Contents of motions

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

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

3.7.3 Amendments to motions

- A motion for amendment shall not be discussed unless it has been proposed and seconded.
- Amendments to motions shall be moved relevant to the motion and shall not have the effect of negating the motion before the Board.
- If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

3.7.4 Rights of reply to motions

- a) Amendments

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

b) Substantive/original motion

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

3.7.5 Withdrawing a motion

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

3.7.6 Motions once under debate

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

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

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

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

3.8 Motion to Rescind a Resolution

3.8.1 Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been given, the Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

3.8.2 When any such motion has been dealt with by the Board it shall not be competent for any director/member other than the Chairperson to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

3.9 Chairperson of Meeting

3.9.1 At any meeting of the Board the Chairperson, if present, shall preside. If the Chairperson is absent from the meeting, the Senior Independent Director (if the Board has appointed one), if present, shall preside.

3.9.2 If the Chairperson and Senior Independent Director are absent, such member (who is not also an Officer/Executive Member of the Trust) as the members present shall choose shall preside.

3.10 Chairperson's ruling

The decision of the Chairperson of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and

Standing Financial Instructions, at the meeting, shall be final.

3.11 Quorum

- 3.11.1 No business shall be transacted at a meeting unless at least one-third of the whole number of the Chairperson and members (including at least one member who is also an Officer/Executive Member of the Trust and two members who is not) is present.
- 3.11.2 An Officer in attendance for an Executive Director (Officer Member) but without formal acting up status may not count towards the quorum.
- 3.11.3 If the Chairperson or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see Standing Order 7.1) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.12 Voting

- 3.12.1 Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e.: the Chairperson of the meeting) shall have a casting vote.
- 3.12.2 At the discretion of the Chairperson all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairperson directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- 3.12.3 If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- 3.12.4 If a member so requests, their vote shall be recorded by name.
- 3.12.5 In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.12.6 A manager who has been formally appointed to act up for an Officer Member during a period of absence, incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.
- 3.12.7 A manager attending the Board meeting to represent an Officer Member during a period of absence, incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Officer Member. An Officer's status when attending a meeting shall be recorded in the minutes.
- 3.12.8 For the voting rules relating to joint members see Standing Order 2.5.

3.13 Suspension of Standing Orders

- 3.13.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one member who is an Officer Member of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.

- 3.13.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairperson and members of the Trust.
- 3.13.3 No formal business may be transacted while Standing Orders are suspended.
- 3.13.4 The Audit Committee shall review every decision to suspend Standing Orders.

3.14 Variation and amendment of Standing Orders

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

3.15 Record of Attendance

- 3.15.1 The names of the Chairperson and Directors/members present at the meeting shall be recorded.

3.16 Minutes

- 3.16.1 The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be approved by the person presiding at it
- 3.16.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chairperson considers discussion appropriate.

3.17 Admission of public and the press

- 3.17.1 Admission and exclusion on grounds of confidentiality of business to be transacted**
The public and representatives of the press may attend all meetings of the Trust, but shall be required to withdraw upon the Board as follows:

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

If necessary, guidance should be sought from the officer member responsible for Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.

3.17.2 General disturbances

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

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

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

Matters to be dealt with by the Board following the exclusion of representatives of the press, and other members of the public, as provided in (1) and (2) above, shall be confidential to the members of the Board.

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

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

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted only upon resolution of the Trust. The Chairperson may authorise the livestreaming of a Board meeting in public by the Trust, particularly in the event that the meeting is held virtually or in a venue which is not conducive to inviting members of the public to attend in person.

3.18 Observers at Trust meetings

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

4 APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

- 4.1.1 Subject to such directions as may be given by the Secretary of State for Health, the Board may appoint committees of the Trust.
- 4.1.2 The Trust shall determine the membership and terms of reference of committees and sub-committees and shall if it requires to, receive and consider reports of such committees.

4.2 Joint Committees

- 4.2.1 Joint committees may be appointed by the Trust by joining together with one or more other organisations, or other Trusts consisting of, wholly or partly of the Chairperson and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health bodies in question.
- 4.2.2 Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees

- 4.3.1 The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall, as appropriate, apply to meetings and any committees established by the Trust. In which case the term "Chairperson" is to be read as a reference to the Chairperson of other committee as the context permits, and the term "member" is to be read as a

reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

4.4 Terms of Reference

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

4.5 Delegation of powers by Committees to Sub-Committees

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

4.6 Approval of Appointments to Committees

- 4.6.1 The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

4.7 Appointments for Statutory functions

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

4.8 Committees established by the Trust Board

- 4.8.1 The committees, sub-committees, and joint committees established by the Board are:

Audit Committee

- 4.8.2 The requirements of the Audit Committee are built on the work of the Cadbury Committee, Greenbury Reports and reports by Smith, Higgs and Turnbull (“Combined Code – Principles of Good Governance and Code of Best practice”) and subsequent guidance and best practice in the private and public sector. They reflect the growing role within the NHS of the committee in developing integrated governance arrangements and providing assurance that bodies are well managed across the whole range of their activities.
- 4.8.3 The Committee is a non-executive committee of the Board, consisting of not less than three non-executives, one of which should have significant financial experience. Head of External and Internal Audit and Counter Fraud attend the Committee – it is normal in the Trust for the CFO and Trust Board Business Manager to attend regularly. It must meet at least four times a year. The Committee membership, frequency and quoracy are described in its Terms of Reference.
- 4.8.4 The Committee is authorised to investigate any activity in its terms of reference, providing assurance to the Board in relation to the Board Assurance Framework, Governance, Risk Management and Internal Control. The Trust’s financial statements, annual report and annual governance statement are reviewed by the Audit Committee prior to submission to the Board. The Committee’s powers are described in its Terms of Reference and in the Scheme of Reservation and Delegation. Please also see Section 11 of the SFIs for more detail on the requirements for the Trust Audit Committee.

Quality and Clinical Governance Committee

- 4.8.5 The Quality and Clinical Governance Committee has delegated authority to ensure the on-going development and delivery of the Trust's Patient Safety and Quality Strategy and that this drives the Trust's overall strategy.
- 4.8.6 The Trust's arrangements reflect the national drive for greater quality in healthcare, with a focus on safety, effectiveness and patient experience and reflect the reforms and principles set out in the July 2010 White Paper *Equity and excellence: Liberating the NHS* and the Francis Report, published in February 2013: which highlighted the fundamental responsibility of providing safe care which sits with the Trust Board.
- 4.8.7 There is significant regulation in place for healthcare providers that is designed to ensure delivery of high quality and safe services and the Committee has responsibility for seeking assurance in respect of that and ensuring actions are taken in respect of corrective measures. The Committee membership, frequency and quoracy are described in its Terms of Reference.
- 4.8.8 In summary, the Committee undertakes a number of duties, including (this list is not exhaustive):
- Ensuring that accurate and appropriate returns are submitted in response to regulators' requirements;
 - Ensuring the implementation, delivery and monitoring of the Trust's Quality Strategy;
 - Ensuring the management of the safety in line with legislation, standards and regulation;
 - Seeking assurances that the quality of patient services is of the appropriate standard and that risk and safety issues are being managed appropriately;
 - Seeking assurances that the Patient Experience Strategy is part of everyday business and that patient feedback and involvement is happening;
 - Sign off the Trust's Quality Account;
 - Overview of Clinical Audit.
- 4.8.9 The Committee's powers are described in its Terms of Reference and in the Scheme of Reservation and Delegation.

Finance and Business Performance Committee

- 4.8.10 The Trust has established a Finance and Business Performance Committee. The purpose of the Finance and Performance Committee is to:
- provide the Board with assurance concerning all aspects of finance and operational performance relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients;
 - oversee all aspects of the financial arrangements of the Trust. It will provide the Board with assurance that the financial issues of the Trust are being appropriately addressed, and will provide the Board with information and advice on key issues; and
 - have oversight of the Trust's performance management framework and will, as required, focus on specific issues where the Trust's performance is deteriorating or there are issues of concern.
- 4.8.11 The Committee provides assurance to the Board that the business plan and supporting strategies are in place and fit for purpose. The Committee membership, frequency and quoracy are described in its Terms of Reference.
- 4.8.12 The Committee's powers are described in its Terms of Reference and in the Scheme of Reservation and Delegation.

Nominations and Remuneration Committee

- 4.8.13 The Nominations and Remuneration Committee's role is to establish and monitor the level and structure of reward for executive directors, ensuring transparency, fairness and

consistency. The Committee shall receive reports from the Chairperson of the Board of Directors on the annual appraisal of the Chief Executive and from the Chief Executive on the annual appraisals of executive directors, as part of determining their remuneration.

- 4.8.14 The Committee, which will meet at least twice per year, is comprised of the Board Chair and all Non-Executive Directors. A minimum of three members should be present at meetings who are independent of management. The Committee membership, frequency and quoracy are described in its Terms of Reference.

Charitable Funds Committee

- 4.8.15 In line with its role as a corporate trustee for any funds held in trust, either as charitable or non-charitable funds, the Board will establish a Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.
- 4.8.16 The Buckinghamshire Healthcare NHS Trust is the Corporate Trustee of the Charity governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993 and 2006. The Board has devolved responsibility for the on-going management of funds to the Charitable Funds Committee, which administers the funds on behalf of the Corporate Trustee. As such the Committee acts independently of the Board. Members of the Committee are not individual trustees under charity law but act as agents on behalf of the Corporate Trustee.
- 4.8.17 The Committee membership, frequency and quoracy are described in its Terms of Reference.
- 4.8.18 The provisions of this Standing Order must be read in conjunction with Standing Order 2.9 and Standing Financial Instruction 28. The Committee's powers are described in its Terms of Reference and in the Scheme of Reservation and Delegation.

Strategic People Committee

- 4.8.19 The purpose of the Strategic People Committee is to:
- provide the Board with assurance regarding delivery of the People Strategy ;
 - oversee all aspects of the workforce and organisational development arrangements of the Trust, including equality, diversity and inclusion; and
 - provide the Board with assurance that the workforce and organisational development issues of the Trust are being appropriately addressed and will provide the Board with information and advice on key issues.
- 4.8.20 The Committee will regularly review the Trust's workforce performance and will, when required, focus on specific issues where the Trust's performance is deteriorating or there are issues of concern.
- 4.8.21 The Committee membership, frequency and quoracy are described in its Terms of Reference.

Other Committees

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

5 ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

5.1 Delegation of Functions to Committees, Officers or other bodies

- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

- 5.1.2 Legislation allows for regulations to provide for the functions of Trusts to be carried out by third parties. In accordance with The Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000 the functions of the Trust may also be carried out in the following ways:
- (i) by another Trust;
 - (ii) jointly with any one or more of the following: NHS Trusts, NHSI or Commissioners;
 - (iii) by arrangement with the appropriate Trust or Commissioners, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
 - (iv) in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with NHSI, NHS Trusts or Commissioners.
- 5.1.3 Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the Trust delegating the function retains full responsibility.

5.2 Emergency Powers and urgent decisions

- 5.2.1 The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.9) may in emergency or for an urgent decision be exercised by the Chairperson in the for ratification by the Board. This provision extends to Committees and Committee Chairs to whom the Board has formally delegated powers and decision-making authority to, provided that the matter is within the Committee's normal Terms of Reference. s. The exercise of such powers by the Chairperson shall be reported to the next formal meeting of the Board in public session for formal ratification.

5.3 Delegation to Committees

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

5.4 Delegation to Officers

- 5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.
- 5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.
- 5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the CFO to provide information and advise the Board in accordance with statutory or Department of Health & Social Care (DHSC) requirements. Outside these statutory requirements the roles of the CFO shall be accountable to the Chief Executive for operational matters.

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

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

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

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

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

6.1 Policy statements: general principles

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

6.2 Specific Policy statements

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

- the Declaration of Interests Policy for Buckinghamshire Healthcare NHS Trust staff;
- the staff Standards of Conduct and Behaviour Policy and Procedure adopted by the Trust both of which shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

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

6.4 Specific guidance

6.4.1 Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with all legislation and guidance issued by the Secretary of State for Health.

6.4.2 A comprehensive list of legislation and regulation as it applies to the Trust can be found in the Compliance with Legislation policy.

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

7.1 Declaration of Interests

7.1.1 Requirements for Declaring Interests and applicability to Board Members

7.1.1.1 The NHS Code of Accountability requires Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

7.1.2 Interests which are relevant and material

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

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

7.1.2.2 Any member of the Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.1.3 Advice on Interests

7.1.3.1 If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairperson of the Trust or with the Trust Board Business Manager (Company Secretary).

7.1.3.2 Influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

7.1.4 Recording of Interests in Board minutes

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

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

7.1.5 Publication of declared interests in Annual Report

7.1.5.1 Board members' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.1.6 Conflicts of interest which arise during the course of a meeting

- 7.1.6.1 During the course of a Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with SO 7.3.)

7.2 Register of Interests

- 7.2.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular, the Register will include details of all directorships and other relevant and material interests (as defined in SO 7.1.2) which have been declared by both Executive and Non-Executive Board members.
- 7.2.2 These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.
- 7.2.3 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it.

7.3 Exclusion of Chairperson and Members in proceedings on account of pecuniary interest

7.3.1 Definition of terms used in interpreting 'Pecuniary' interest

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

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

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

- a) he/she, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
 - b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- iv) Exception to Pecuniary interests

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

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal

value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2.2.

7.3.2 Exclusion in proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chairperson or a member of the Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board at which the contract or other matter is the subject of consideration, at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 7.3.3 on the 'Waiver' which has been approved by the Secretary of State for Health).
- (iii) The Board may exclude the Chairperson or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairperson or a Member by virtue of paragraph 11 of Schedule 5A to the National Health Service Act 1977 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

7.3.3 Waiver of Standing Orders made by the Secretary of State for Health

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

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

(2) Definition of 'Chairperson' for the purpose of interpreting this waiver

For the purposes of paragraph 7.3.3.(3) (below), the "relevant Chairperson" is –

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

(3) Application of waiver

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

It will apply to:

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

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

The removal is subject to the following conditions:

- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant Chairperson must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive.
- (c) **in the case of a meeting of the Trust:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may not vote on any question with respect to it.
- (d) **in the case of a meeting of the Committee:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may vote on any question with respect to it; but

- (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

7.4 Standards of Business Conduct

7.4.1 Trust Policy and National Guidance

All Trust staff and members of must comply with the Trust's Conflicts of Interest Policy and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' (the guidance contained within this document referring to the 'Prevention of Corruption Acts 1889 - 1916' has been superseded by the 'Bribery Act 2010') (see SO 6.2).

7.4.2 Interest of Officers in Contracts

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

7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments

- i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- ii) Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

7.4.4 Relatives of Members or Officers

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

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

8.1 Custody of Seal

- 8.1.1 The common seal of the Trust shall be kept by the Chief Executive or a nominated Manager by him/her in a secure place.

8.2 Sealing of Documents

- 8.2.1 Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two Executive Directors duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.

8.3 Register of Sealing

- 8.3.1 The Chief Executive shall keep a register in which he/she, or another manager of the Authority authorised by him/her, shall enter a record of the sealing of every document.

8.4 Signature of documents

- 8.4.1 Where any document will be a necessary step in legal proceedings (including the signing of contracts and agreements) on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or in line with the scheme of delegation.
- 8.4.2 In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

9 MISCELLANEOUS

9.1 Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999.

See overlap with Standing Financial Instruction 19.7.

SECTION C – Standing Financial Instructions

10.1 Introduction

- 10.1.1 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 in the Standing Orders (SOs).
- 10.1.2 These Standing Financial Instructions detail the financial responsibilities and policies adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 10.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the CFO.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the CFO must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders (dealing with non-financial aspects).
- 10.1.5 The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal. Where failure to comply constitutes a criminal offence it may result in criminal investigation, and criminal sanctions will be considered and applied as appropriate.**
- 10.1.6 **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. The CFO shall record and report material instances where advice is not acted upon to the Audit Committee to make clear the appropriate interpretation. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the CFO as soon as possible. The CFO will exercise materiality of judgement in respect of actions when potential breaches are notified.

10.2 Responsibilities and delegation

10.2.1 The Trust Board

10.2.1.1 The Board exercises financial supervision and control by:

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

- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document;
- providing clear and demonstrable support and strategic direction for counter fraud, bribery and corruption work, and review the proactive management, control and the evaluation of counter fraud, bribery and corruption work.10.2.1.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Reservation of Matters Reserved to the Board' document. All other powers have been delegated to such other committees as the Trust has established.
- 10.2.1.3 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the Trust. The extent of delegation will be kept under review by the Trust Board.

10.2.2 The Chief Executive and Chief Finance Officer (CFO)

- 10.2.2.1 The Chief Executive and CFO will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.
- 10.2.2.2 Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chairperson and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
- 10.2.2.3 It is a duty of the Chief Executive to ensure that Members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

10.2.3 The Chief Finance Officer (CFO)

- 10.2.3.1 The CFO is responsible for:
- (a) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
 - (b) maintaining an efficient and effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
 - (c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;
 - (d) without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the CFO include:
 - (i) the provision of financial advice to other members of the Board and employees;
 - (ii) the design, implementation and supervision of systems of internal financial control;
 - (iii) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

10.2.4 Board Members and Employees

- 10.2.4.1 All members of the Board and all employees, severally and collectively, are responsible for:
- a. the security of the property of the Trust;
 - b. avoiding loss;
 - c. exercising economy, efficiency and effectiveness in the use of resources;
 - d. conforming the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

10.2.5 Contractors and their employees

- 10.2.5.1 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 and records of such notifications are kept.
- 10.2.5.2 For all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and employees discharge their duties must be to the satisfaction of the CFO.

11 AUDIT

11.1 Audit Committee

- 11.1.1 In accordance with Standing Orders (please see para 4.8.1), the Board shall formally establish an Audit Committee with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2011), which will provide an independent and objective review of assurances in respect of all Trust systems of control by:
- a) reviewing opinions and recommendations from Internal Audit, External Audit and also Local counter Fraud Services in recommending the adoption of financial and quality accounts
 - b) considering views and opinions from other external regulatory bodies (for example the Care Quality Commission);
 - c) reviewing the effectiveness and efficiency of financial, non-financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
 - d) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's corporate objectives;
 - e) monitoring compliance with Standing Orders and Standing Financial Instructions;
 - f) reviewing schedules of losses and special payments and making recommendations to the Board;
 - g) reviewing the arrangements in place to support the Board Assurance Framework process prepared on behalf of the Board and advising the Board accordingly;
 - h) seeking assurance that the Trust has adequate arrangements in place for countering fraud and bribery and compliance with NHSCFA requirements. This will include but is not limited to reports from the LCFS, the annual self-assessment submission to NHSCFA (counter fraud functional standard return), NHSCFA inspection reports, and actions resulting from counter fraud activity including NHSCFA quality assessment reports will be monitored. The Committee is also responsible for approving the annual counter fraud work plan and the outcomes of all anti-fraud and bribery work within the Trust.

- 11.1.2 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairperson of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health & Social Care. (To the CFO in the first instance).
- 11.1.3 It is the responsibility of the CFO to ensure an adequate Internal Audit service is provided and the Audit Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.

11.2 Chief Finance Officer (CFO)

- 11.2.1 The CFO is responsible for:
- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
 - (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
 - (c) deciding at what stage to involve the police, in conjunction with the (Local Security Management Specialist LSMS), in cases of misappropriation and other irregularities not involving fraud or corruption;
 - (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit (and the Board). The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.
- 11.2.2 The CFO 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 or members of the Board or employee of the Trust;
 - (c) the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
 - (d) explanations concerning any matter under investigation.

11.3 Role of Internal Audit

- 11.3.1 The responsibilities of internal audit are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA in the UK and Ireland). Internal Audit will essentially review and evaluate the risk management, control and governance arrangements that the organisation has in place, and also to 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, inefficient administration;
 - (iii) poor value for money or other causes.
 - (e) The degree of implementation achieved in relation to recommendations agreed by management during the prior and current financial year are tracked every month by Internal Audit as well as the Trust and presented to the Audit Committee. This will serve to inform the adequacy of the Trust's speed and efficiency in implementing control recommendations.
- 11.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the CFO and the LSMS must be notified immediately.
- 11.3.3 The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairperson and Chief Executive of the Trust.
- 11.3.4 The Head of Internal Audit shall be accountable to the CFO. The reporting system for internal audit shall be agreed between the CFO, the Audit Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.
- 11.3.5 Internal Audit will ensure that the level and quality of audit resource is appropriate and available given the level of assurance required.
- 11.3.6 Internal Audit will also give consideration to government initiatives such as spending reviews and other austerity measures which impact upon the NHS and provision of health services where they can impact upon risk management, governance and internal controls.
- 11.3.7 Internal Audit are expected to meet with the Trust's External Auditors regularly, either through Committee meetings or otherwise, to confirm the scope of the work in the area of Internal Financial Control in order to ensure that they can continue to place their planned level of reliance on the work of internal audit.
- 11.3.8 Should any suspicions of fraud, bribery or corruption be identified by Internal Audit these must be referred to LCFS immediately.

11.4 External Audit

- 11.4.1 The External Auditor is appointed by and paid for by the Trust. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the relevant oversight body.
- 11.4.2 Should any suspicions of fraud, bribery or corruption be identified by External Audit these must be referred to LCFS immediately.
- 11.4.3 In the event an external audit function is not procured then an explanation to NHS England of circumstances and formal report to the Board would be provided.

11.5 Fraud and Corruption

- 11.5.1 **Fraud:** any person who dishonestly makes a false representation to make a gain for themselves or another, or who dishonestly fails to disclose to another person information which he is under a legal duty to disclose, or commits fraud by abuse of position including any offence as defined in the Fraud Act 2006.
- 11.6 **Bribery:** any person giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith, including any offence as defined under the Bribery Act 2010.
 - 11.6.1 In line with their responsibilities, the Trust Chief Executive and CFO shall monitor and ensure compliance with NHSCFA requirements under the Government Functional Standard GovS013: Counter Fraud, primarily using a local risk-based approach to fraud, in conjunction with its Local Counter Fraud Specialist (LCFS).
 - 11.6.2 The Trust shall nominate a suitable person to carry out the duties of the LCFS as specified by the Department of Health Counter Fraud and Corruption Manual and guidance.
 - 11.6.3 In accordance with the Counter Fraud and Bribery Policy, suspected offences of fraud or bribery must be reported to the Trust's LCFS for formal investigation. The CFO will inform the LCFS of any referrals received directly.
 - 11.6.4
 - 11.6.5 The Trust will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for the Trust, unless it can show that despite a particular case of bribery it nevertheless had adequate procedures in place to prevent persons associated with it from bribing. To demonstrate that the Trust has in place sufficient and adequate procedures, as required by the Bribery Act 2010, and to show openness and transparency, all staff are required to comply with the requirements of the Standing Financial Instructions. For a more detailed explanation, see the Trust's Counter Fraud and Bribery Policy.
 - 11.6.6 The LCFS shall report to the Trust CFO and shall work with staff in NHS Counter Fraud Authority (NHSCFA) in accordance with the NHS Counter Fraud and Corruption Manual.
 - 11.6.7 The "Counter Fraud and Bribery Policy" sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

The LCFS will attend Audit Committee meetings on a periodic basis and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Trust.

- 11.6.8 The LCFS will provide a written report, at least annually, on counter fraud work within the Trust. In addition, regular updates on counter fraud work undertaken at the Trust shall be provided to the Audit Committee throughout the year.
- 11.6.9 The Trust is required to complete the Counter Fraud Functional Standard Return (CFFSR), a self-assessment tool developed by the NHSCFA, to measure the effectiveness of counter fraud processes and demonstrate the level of compliance with NHSCFA requirements on an annual basis.
- 11.6.10 The Trust will ensure that policies and procedures for all work related to fraud and bribery are implemented. The Trust will consider the major findings of investigations and respond accordingly.

11.7 Security Management

- 11.7.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS site security management.
- 11.7.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS site security management.

- 11.7.3 The Chief Executive has overall responsibility for controlling and coordinating the physical security of Trust sites. However, key tasks are delegated to the Chief Commercial Officer responsible for Security Management and the appointed Local Security Management Specialist (LSMS).

12 ANNUAL ACCOUNTS AND REPORTS

- 12.1 The CFO, 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 the Treasury, the Trust's accounting policies, and International Financial Reporting Standards;
 - (b) prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines;
 - (c) submit financial returns to the Department of Health & Social Care for each financial year in accordance with the timetable prescribed by the Department of Health & Social Care.
- 12.2 The Trust's annual accounts must be audited by a correctly appointed auditor. The Trust's audited annual accounts must be presented to a public meeting and made available to the public. Where audited accounts are not prepared a form of words must be agreed with NHS England and presented in the annual report and the public meeting.
- 12.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health's Manual for Accounts.

13 BANK ACCOUNTS

13.1 General

- 13.1.1 The Trust will make changes to its banking arrangements in line with instructions provided by the Government Banking Service (GBS).
- 13.1.2 The Board shall approve the banking arrangements.

13.2 Bank Accounts

- 13.2.1 The CFO is responsible for:
- (a) commercial bank accounts and Government Banking Service accounts;
 - (b) establishing separate bank accounts for the Trust's non-exchequer funds;
 - (c) ensuring payments made from commercial bank or accounts do not exceed the amount credited to the account except where arrangements have been made;
 - (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
 - (e) monitoring compliance with Department of Health & Social Care guidance on the level of cleared funds.
 - (f) ensuring payments made from the Trust credit cards do not exceed the authorised limits assigned to each card and that the cards are used solely for the purposes of Trust business in line with Trust procedures.

13.3 Banking Procedures

- 13.3.1 The CFO will prepare detailed instructions on the operation of bank and GBS accounts which must include:
- (a) the conditions under which each commercial bank and account is to be operated;
 - (b) those authorised to sign cheques or other orders drawn on the Trust's accounts.
- 13.3.2 The CFO must advise the Trust's bankers in writing of the conditions under which each account will be operated.

13.4 Tendering and Review

- 13.4.1 The CFO will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.
- 13.4.2 Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board.

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

14.1 Income Systems

- 14.1.1 The CFO is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collecting and coding of all monies due.
- 14.1.2 The CFO is also responsible for the prompt banking of all monies received.

14.2 Fees and Charges

- 14.2.1 The Trust shall follow the Department of Health's advice in the "Costing" Manual in setting prices for NHS service agreements.
- 14.2.2 The CFO is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.
- 14.2.3 All employees must inform the CFO promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

14.3 Debt Recovery

- 14.3.1 The CFO is responsible for the appropriate recovery action on all outstanding debts.
- 14.3.2 Income not received should be dealt with in accordance with losses procedures.
- 14.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

14.4 Security of Cash, Cheques and other Negotiable Instruments

- 14.4.1 The CFO is responsible for:
- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable

- cash boxes, the procedures for keys, and for coin operated machines;
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust;
 - (e) ensuring that Trust credit cards are kept within a secure location and used appropriately in line with Trust procedures.
- 14.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 14.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the CFO.
- 14.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

15 INCOME - NHS CONTRACTS FOR PROVISION OF SERVICES

15.1 Introduction - commissioning healthcare in the NHS

- 15.1.1 These SFIs have been significantly revised to take account of the national contract for commissioning healthcare services and the rules surrounding it. It is important to understand the principles of the contract to appreciate the instructions set out in these SFIs concerning work done in the Trust.
- 15.1.2 The main source of income to fund Trust services is from the Integrated Care Board (ICB) as well as NHS England (specialised Commissioners). The Local Authority are expected to take the lead on behalf of the local population, seeking their views as well as assessing their needs to act as the catalyst for service improvement and commission the health care services they require.
- 15.1.3 The key mechanism in the way patients access NHS services in secondary care (e.g.: an acute trust) is the GP's role in referring people – the GP acts as the gatekeeper to secondary care services (as provided in an acute trust).
- 15.1.4 NHS guidance outlines ambitions to deliver world-class commissioning, in turn delivering better health outcomes, narrowing health inequalities and adding years to life.

15.2 The NHS Standard contract

- 15.2.1 A national contract for commissioning of healthcare services is now mandatory, unless under national direction (e.g. Level 4 incident). The contract is based upon principles of cooperation and competition and Commissioners must use it as the basis for all agreements with NHS acute trusts.

The NHS Standard contract is available at: www.england.nhs.uk/nhs-standard-contract/.

15.3 Trust responsibilities to agree the contract with Commissioners

- 15.3.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Contracts with service commissioners for the provision of NHS services. They will be advised by the CFO.
- 15.3.2 A good contract will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

15.4 Contractual control and reports to Board

- 15.4.1 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 contract. These will in turn be the responsibility of the CFO.
- 15.4.2 Additionally, the CFO will devise and maintain systems of contractual control. These will include:
- (a) Monthly reconciliation of Trust activity data with the data used by Commissioners and the agreement of the figures used to confirm payment with the Commissioners;
 - (b) The monthly identification of any dispute that could lead to financial penalty and its escalation for speedy resolution;
 - (c) Monthly reports to the Board in a form approved by the Board;
 - (d) The issue of timely, accurate and comprehensible advice and activity reports to relevant budget holders and other key staff, covering the areas for which they are responsible;
 - (e) Investigation and reporting of variances from activity and income;
 - (f) Monitoring of management action to correct variances.

15.5 Work done that is not covered or restricted by the contract

- 15.5.1 Trust staff responsible for making decisions about healthcare procedures should not normally commit Trust resources for work/procedures that are either not covered by the contract or subject to specific restriction unless there is reasonable justification to do so. It is expected that such instances are exceptional.
- 15.5.2 Staff making healthcare decisions must be aware of the contractual requirements for the provision of services for which they are responsible and the Chief Executive, through Trust Directors, has a responsibility to ensure systems are in place to enable that and support common sense management of any grey area.
- 15.5.3 Responsibilities to effect the above can be described as follows:
- (a) the CFO must ensure that the hierarchy of managers and clinicians overseeing healthcare decision making is clearly aware of what Commissioners are commissioning, provide this information at divisional and specialty levels and to individual staff as necessary;
 - (b) For areas where there is likely to be potential uncertainty (for example identification of previously unspecified healthcare needs related to an excluded procedure) the CFO is responsible for putting in place effective processes to deal with that eventuality (for example a proforma approval process with the Commissioners);
 - (c) Individual staff who carry responsibility for healthcare decision making should make themselves aware of the contractual requirements. This means that they are expected to involve themselves in business planning and operational management, liaise actively with Trust managers and access and read Trust communications (notably the intranet).
 - (d) Where an issue arises that provides a conflict with clinical governance, individual staff have a responsibility to notify that through the Trust's integrated governance and risk management processes and seek a resolution.
- 15.5.4 It is explicitly acknowledged that this is a complex area. Healthcare is complex, individual and includes safety and clinical governance considerations whose specificity cannot be

legislated for in every case, however good a contract document. Many decisions require on the spot judgements that may need to be made immediately. Trust staff should therefore follow these principles:

- (a) The patient's immediate needs and safety outweighs any other consideration;
- (b) If there is uncertainty over or a potential clash with contractual requirements and there is time to do so, the Commissioners should be contacted and asked to confirm in writing that a procedure can proceed;
- (c) If Trust guidance or instruction is incorrect, unclear or poorly considered it should be highlighted through Trust governance structures and resolved;
- (d) Trust guidance or instruction that is adequately validated, formally agreed and tested should only be ignored in very exceptional circumstances;
- (e) Persistent failure to follow formally notified Trust guidance or instruction is unreasonable and unacceptable.

15.5.5 In addition, any persistent and unreasonable failure to provide information necessary to secure payment from the Commissioners, and that results in financial loss, will also be taken as a breach of these SFIs.

16 ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

16.1 Preparation and Approval of Plans and Budgets

16.1.1 The Chief Digital Information Officer (CDIO) on behalf of the Chief Executive will compile and submit to the Board a Business Plan which takes into account financial targets and forecast limits of available resources as advised by the CFO. The Business Plan will contain:

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

16.1.2 Prior to the start of the financial year the CFO will, on behalf of the Chief Executive, prepare and submit a Trust budget for approval by the Board. The budget will:

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

16.1.3 The CFO shall monitor financial performance against budget and plan, periodically review them, and report to the Board of major changes in workload, delivery of services or resources required to achieve the plan.

16.1.4 All budget holders must provide information as required by the CFO to enable budgets to be compiled. The CFO should foster ownership of budgets by actively involving budget holders in the setting of budgets and savings plans.

16.1.5 All budget holders will sign up to their allocated budgets (including savings plans) at the

commencement of each financial year. A budget holder who declines to do so cannot remain a budget holder, whatever the reason for their non acceptance of the budget.

16.2 Budget Holders

- 16.2.1 The CFO is responsible for specifying the criteria allowing an individual to be a budget holder and may, without prior notification, withdraw that permission or restrict their delegated authority at any point if there is reasonable justification to do so.
- 16.2.2 The budget holder must have a specific objective in their annual objectives describing their responsibilities as a budget holder and their manager has a responsibility to ensure they carry out those responsibilities. Annual appraisals should record budget holders' performance in delivering this objective.
- 16.2.3 The budget holders must make themselves aware of all relevant Trust guidance, procedures and instructions on financial management – **ignorance is not an excuse** for failure to follow procedures or instructions.
- 16.2.4 The CFO has a responsibility to ensure that adequate training is delivered on an on going basis to budget holders to help them manage successfully and the budget holder has a responsibility to attend that training and identify and use other development aids to help them be equipped to perform the budget holder function.

16.3 Budgetary Delegation

- 16.3.1 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 (recorded on an authorised signatory proforma or through the electronic records of the Trust's financial systems) and be accompanied by a clear definition of:
- (a) the amount of the budget (from the budget statement);
 - (b) the purpose(s) of each budget heading (from the budget statement);
 - (c) individual and group responsibilities (from the local business plan and individual objectives);
 - (d) authority to exercise virement (from the authorised signatory proforma);
 - (e) achievement of planned levels of service (from the local business plan and individual objectives);
 - (f) the provision of regular reports (from the local business plan and individual objectives).
- 16.3.2 Budget holders are responsible for all expenditure against their budget and the use of Trust resources to deliver work outlined in their local business plans and in Commissioners contracts. In relation to the requirements of section 15.5 (work done that is not covered or restricted by the Commissioners contract) budget holders are responsible for taking all reasonable action to minimise the use of Trust resources for work that will not be paid for by the Commissioners.
- 16.3.3 Budget holders do not have any authority to incur capital expenditure against revenue budgets and vice versa. The definition of capital is a professional judgement made by the CFO though discussion with colleagues.
- 16.3.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 16.3.5 Non-recurring budgets **must not** be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the CFO. This includes things like the recruitment of permanent staff to cover maternity leave or other temporary staff absence.

16.4 Budgetary Control and Reporting

16.4.1 The CFO will devise and maintain systems of budgetary control. These will include:

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

16.4.2 Each budget holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement within the overall Trust income and expenditure budget control total is not incurred without prior written consent of the Chief Executive (as set out in Trust delegated procedures);
- (b) an action plan (appropriate to the materiality of the shortfall, but recorded) is provided to correct any overspending/under-collection of income in their budgets;
- (c) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (d) any income included within their budget is subject to a formal written contractual agreement specifying the amount, services covered, notice period and other relevant information;
- (e) no permanent employees are appointed without the approval of the Chief Executive (as set out in Trust delegated procedures) other than those provided for within the available resources and staffing establishment as approved by the Board.
- (f) Financial savings agreed in budgets at the start of the year are delivered and that any overspending elsewhere in the budget that reduces those savings is compensated by additional savings, virement or permission to overspend.

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

16.5 Capital Expenditure

16.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (the particular applications relating to capital are contained in SFI 24). Revenue budget holders do NOT have any authority to incur capital spend against revenue budgets and vice versa.

16.6 Monitoring Returns

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

17 Tendering and Contracting

17.1 Duty to comply with Standing Orders and Standing Financial Instructions

- 17.1.1 Clause 17 covers any purchases made by the Trust.
- 17.1.2 The procedure for contracting and making any purchases by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No.3.13 Suspension of Standing Orders is applied).
- 17.1.3 All contracts and purchases must:
- * be within the Trust powers as delegated by the Secretary of State;
 - * comply with relevant Department of Health and Social Care guidance;
 - * incorporate such of the Standard NHS terms and conditions as are applicable;
 - * endeavour to obtain best value for money.
- 17.1.4 All personnel involved in tendering and contracting activities must be aware of the regulations governing public contracts, including but not limited to the Bribery Act 2010, Modern Slavery Act 2015, Climate Change Act 2008 and must ensure that all dealings with other organisations and their staff do not bring them in breach of legislation that could leave them or the Trust open to legal proceedings being commenced.
- 17.1.5 All expenditure must be approved prior to the commitment being entered into. The approval routes differ according to the value and type of expenditure.

For all expenditure budget holders must ensure that they have approval to commit the Trust resources before undertaking procurement. Approval is either provided by an individual with the appropriate authority approving the expenditure or a business case which has been reviewed and approved by the appropriate individuals or groups. No commitment to expenditure, either verbal or written, should be made without appropriate approvals. This includes variations and/or extensions to contracts, which must consider the whole life value of a contract.

For all expenditure budget holders must seek quotes / tenders for the procurement of your goods, services or works in a legally compliant manner that ensures the best value for the Trust.

For all expenditure budget holders must utilise mandated suppliers and contracts as defined by the Procurement Team to ensure best value.

For all expenditure budget holders must ensure that a signed contract, which has been approved is in place prior to the expenditure being incurred.

Budget holders must adhere to the rule of aggregation, when identifying the total value of the contracts. Budget holders must not split purchase orders and contracts to avoid procurement thresholds. Suspected disaggregation will be investigated and may lead to disciplinary or criminal action.

Budget holders must set the length of the proposed contract following a rigorous assessment of service need and value for money. Arbitrarily setting the length of a contract to avoid control processes will be subject to disciplinary or criminal action.

17.2 Legislation Governing Public Contracts

17.2.1 Relevant UK legislation prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

17.3 Reverse eAuctions

17.3.1 The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions.

17.4 Estimates

17.4.1 The tendering, quotation and contracting procedure choices are structured around the estimated value of the contract in question. An estimate for a contract value shall be calculated according to best abilities. Note the following:

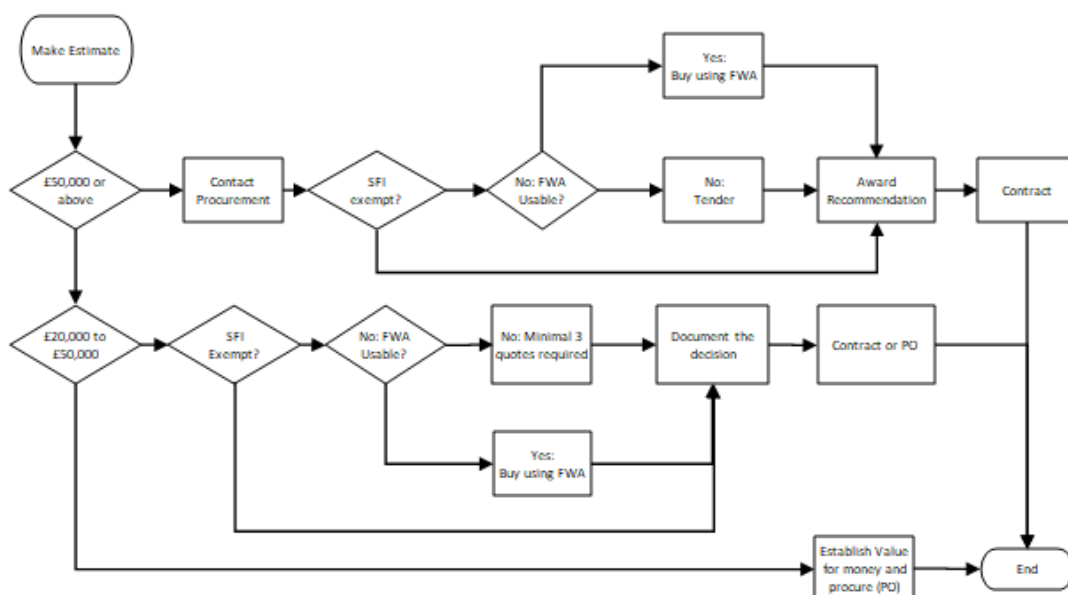
- * An estimate shall be calculated excluding VAT (all decisions are based on values Excluding VAT).
- * An estimate shall cover the whole of the contract period (as opposed to annual value). If it is clear a service or goods delivery will continue for multiple years, the estimate shall cover the whole of that period.
- * Optional extension periods are not to be taken into the estimate
- * An estimate shall cover the deliveries over the whole of the Trust. If other divisions also take deliveries, from a regulations for public contracts perspective it is mandatory to assess the trust wide spend (as opposed to Divisional spend).
- * Where a capital investment is required to be covered by a service contract, the costs for this service contract shall be included in the estimate, along with the costs of consumables where relevant. It is usually beneficial to negotiate a service contract when buying a product, seek advice from the procurement department.

17.5 Choice of Procurement Procedure

17.5.1 The limits below apply to contract values of all Goods, Services and Works, including disposals and procured Health Care Services. There is no difference between a capital investment and a revenue spend, nor the source of funding, when it comes to applying the tendering rules.

Contract Value (excluding VAT)	Procedure	See
£50,000 and above	Formal tendering, contact Procurement Where Regulations covering public contracts apply further restrictions need incorporating	17.5.2
£20,000 up to £50,000	Quotation At least 3 to be returned	17.5.3
£0 up to £20,000	Obtain best value	17.5.4

Flow Chart



Notes / explanations

FWA: Framework Agreement (can be a Trust framework or central framework)

0: **Contact procurement** to establish if an exemption applies

1: A framework is "usable" when it covers the correct deliverables and the procedures within the framework can be followed

2: Tenders for amounts exceeding the threshold for Regulations for Public Contracts will require specific handling

3: Award recommendations for contracts exceeding the threshold for Regulations for Public Contracts will require specific information to be addressed in the report

4: SFI's require documented decisions when deviated from the best value.

Thresholds for regulations covering public contracts are subject to change and values are not mentioned in this paper

17.6 Exceptions to the SFI Requirement for Tendering or Quotations

17.6.1 General exceptions.

The following circumstances are deemed to be in accordance with the Standing Financial Instructions.

- * Call off from a **competitively** awarded contract or framework agreement, that can be accessed by the Trust, having followed the correct process for award under the conditions of that contract or framework agreement.
- * Where legitimately waived by CEO or his delegated authority
- * For the following purchases:
 - Royal Mail postage costs
 - Apprenticeships
 - Subscriptions to clinical bodies
 - Degree courses
 - Rent/rates
 - Salary for secondments from other NHS organisation
- * Disposals (See overlap with SFI 25) - Competitive Tendering or Quotation procedures shall not apply to disposals.
 Note that disposal of items that incur a cost to the Trust are considered a service and shall follow the SFI for tendering or quotations.
 - any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer;
 - obsolete or condemned articles and stores, which may be disposed of in accordance with the Trust's Stock Management Policy;
 - items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis;
 - items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
 - land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

17.6.2 Waiver of the Standing Financial Instructions/Request to Release Unauthorised Funds

The distinction between a waiver and a request to release funds is:

- * A “Waiver of Standing Financial Instructions” is asking for a spend to be approved before commitment
- * A “Request to Release Unauthorised Funds” is asking to approve a commitment already made without prior approval

The waiving of Standing Financial Instructions should not be used to avoid competition or for administrative convenience.

Where it is decided to waive the Standing Financial Instructions, the fact of the waiver or release request and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee as required.

Waiving of the Standing Financial Instructions can be done 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.

17.6.2 Tendering, value above £50,000

Above £50,000 a tender is required. Any tender and/or award shall be carried out using the Trust’s eProcurement system and shall be done in close cooperation with or by procurement.

Where contracts are estimated to be above the threshold for regulations covering public contracts valid at the time, procedures from the applicable legislation shall be followed.

This applies to Works, Goods and/or Services.

Awarding a contract

Following a tender, an Award Recommendation shall be written. This Award Recommendation must cover the process from defining the demand to award of contract and describe the relevant steps and decisions taken in the process.

Where regulations covering Public Contracts are applicable, an award recommendation shall be written to cover any legal requirement and to report the process followed.

When a contract is presented for signature, it shall be accompanied by the award recommendation, signed by the involved parties, to provide evidence the contract is awarded in observance of the relevant regulations and Standing financial Instructions.

Changes in Contracts

If a change in contract is required, this shall be recorded and agreed using a Contract Change Notice or Variation Order. The variation order shall state all changes in value, specification, planning and organisation. For approval of value changes in any contracts, see Limits of Delegation.

Contract cancellations

There shall, where possible, be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Bribery Act 2010, Trust’s Counter Fraud and Bribery Policy and other appropriate legislation.

3. Quotations, value above £20,000 and up to £50,000

17.6.3.1 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 £20,000 but not exceed £50,000 (excluding VAT) over the life of the contract.

17.6.3.2 Competitive Quotations

- A minimum of 3 quotations are required based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- All quotations should be treated as confidential and should be retained as evidence of compliance with SFI's.
- The Chief Executive or his/her nominated officer should evaluate the quotation and select the quote which gives the best value for money.

It is the responsibility of the Authoriser or budget holder to obtain clarity on value for money.

17.6.4 Best Value up to £20,000

The requester is responsible for obtaining best value for any goods or services procured up to £20,000 (excl VAT).

Best value is where either the purchase is low value compared to other offers, or where the outcome of the purchase reduces costs elsewhere. It is the responsibility of the Authoriser or budget holder to obtain clarity on this.

4. Healthcare Services Agreements (see overlap with SFI 20) with other (NHS) bodies

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

17.6.4.2 The Chief Executive shall nominate officers to commission service agreements with providers of healthcare.

18. PAY EXPENDITURE

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

- 18.1.1 In accordance with Standing Orders the Board shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the Higgs report.)
- 18.1.2 The Committee's main functions are:
- a) To advise the Board about performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Executive Directors, guided by NHS policy and best practice. Advice to the Board on remuneration includes all aspects of salary as well as arrangements for termination of employment and other contractual terms.
 - b) To make such recommendations to the Board on the succession planning and on the remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors, to ensure that they are fairly motivated and rewarded for their individual contribution to the organisation – having proper regard to the organisation's circumstances and performance and to the provision of national arrangements.
 - c) To monitor and evaluate the performance and development of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors.
 - d) To advise the Board and oversee appropriate contractual arrangements for the Chief Executive and Executive Directors including the proper calculation and scrutiny of

termination payments taking account of such national guidance as appropriate.

- e) The Chief Executive is responsible for ensuring that the Chief People Officer brings forward the necessary information in a timely manner to enable the Committee to discharge its functions and takes appropriate follow-up action.

18.1.3 The Trust will pay allowances to the Chairperson and non-Executive members of the Board in accordance with instructions issued by the Secretary of State for Health. Subject to legal requirements all claims for additional pay (e.g. overtime) and expenses must be submitted within 3 months or the Trust can decline payment.

18.2 Funded Establishment

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

18.2.2 The funded establishment of any department may not be varied without the approval of the Divisional Director, operating within the overall budget. Any increase in resources requires a business case approved at Executive Management Committee.

18.3 Staff Appointments

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

- (a) unless authorised to do so by the Chief Executive;
- (b) within the limit of their approved budget and funded establishment.

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

18.3.3 Any change of grade or pay acceleration for an individual that has not been subject to a selection process must be approved by the Chief People Officer.

18.4 Processing Payroll

18.4.1 The Chief Finance Officer is responsible for:

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

18.4.2 The Chief Finance Officer will issue instructions regarding:

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

- (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

18.4.3 Appropriately nominated managers have delegated responsibility for:

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

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

18.4.5 It is the personal responsibility of each member of staff to monitor how much they are paid with each payment received. Staff must report any overpayment or underpayment as soon as it is noticed. All overpayments must be repaid in line with the requirements agreed with the Trust. Any underpayment must also be reported as soon as it is noticed, and any underpayments will be repaid by the Trust.

18.5 Expenses payable to staff

18.5.1 Expenses are non-pay expenditure but should be paid with salary and only exceptionally by any other means. Trust procedures for expense claims must be followed by all staff and it is each individual's responsibility to submit claims on a regular basis, which enables the Trust to monitor and control expenditure and provide payment. The Trust will withhold the payment of expenses claimed 3 months or more after they were incurred. In exceptional circumstances appeals can go to the CFO, whose decision is final and not subject to any further appeal.

18.6 Contracts of Employment

18.6.1 The Board shall delegate responsibility to an officer for:

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

19. NON-PAY EXPENDITURE

19.1 Delegation of Authority

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

19.1.2 The Chief Executive will set out:

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

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

19.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with SFI 17)

19.2.1 Requisitioning

19.2.1.1 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.

19.2.2 Use of purchase orders

19.2.2.1 There is a trade-off between security, cost and the administration necessary to buy items for the Trust. The aim is to make things as simple as possible while keeping the right balance between these considerations.

19.2.2.2 Purchase orders for goods and services ordered via the Trust's electronic catalogue will be sent automatically to suppliers subject to the appropriate authorisation. Non catalogue goods or services will be ordered by the Trust's Procurement Team on the basis of a requisition raised by the requisitioner.

19.2.2.3 A single requisition may involve for example, the requisition of contract involving a number of annual payments; these payments are added together to determine the limit.

19.2.2.4 Requisitions may not be split or otherwise placed in a manner devised to avoid any Trust financial limits.

19.2.2.5 An order for goods or services may result in a contract or license to be signed by both the Trust and supplier. These documents may only be signed in accordance with delegated limits as per the 'authority to approve revenue expenditure'

19.2.2.6 Most invoices relating to goods requisitioned and purchased via a Purchase Order do not require authorisation. The Accounts Payable team matches the Purchase Order with the confirmation of receipt and the invoice and invoice value, and resolves any differences

19.2.2.7 Invoices not matched in the way described above require authorisation from the budget holder before payment.

19.2.2.8 The CFO is responsible for maintaining the lists of employees and their delegated limits. Managers are responsible for advising the Director of Finance of all changes.

19.2.2.9 Contracts for management consultancy over £50,000 will require approval from NHS Improvement

19.2.3 Procedures for obtaining Goods and Services

19.2.3.1 In choosing the item to be supplied (or the service to be performed) the advice of Procurement shall be sought where necessary in order to obtain value for money and as far as possible meet the sustainability obligations of the Trust.

19.2.3.2 Where the advice of Procurement is not acceptable, the CFO (and/or the Chief Executive) shall be consulted and may approve procurement contrary to the advice received.

19.2.3.3 Goods may not be taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase.

19.2.3.4 No Order shall be issued for any item or items to any firm which has made an offer of gifts, rewards or benefit to directors or employees, other than isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars or conventional hospitality such as lunches in the course of working visits.

19.2.3.5 These SFIs apply equally to goods or services relating to charitable or pass-through expenditure.

19.2.3.6 Confirmation of the receipt of goods and services system will provide:

- a list of Trust employees authorised to certify invoices;
- certification that goods have been duly received, examined and are in accordance with specification and the prices are correct;
- certification that work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
- in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
- where appropriate, that 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;
- instructions to employees regarding the handling and payment of accounts within the Finance Department.

19.2.4 System of Payment and Payment Verification

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

19.2.4.2 All contracts for example; leases, tenancy agreements and other commitments which may result in a liability shall be notified to the Director of Finance.

19.2.4.3 The CFO is responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

19.2.4.4 The CFO is responsible for designing and maintaining procedures regarding the use and control of purchasing cards.

19.2.4.5 Prepayments are only permitted where exceptional circumstances apply.

19.3 Petty Cash

19.3.1 Purchases from petty cash are restricted in value and by type of purchase as tabled below and must be supported by receipt(s) and certified by a budget holder within their delegated limit.

Description	Amount
Return of Patients Cash	Up to the amount of cash deposited for safe keeping
Payment of Patients Fares or Funeral expenses for which the Trust is liable	Up to the amount of fares paid or funeral expense
All other petty cash payments	£100

19.3.2 The CFO will determine record keeping and other instructions relating to petty cash.

19.4 Paying in advance – prepayments

19.4.1 The payment of goods/services in advance presents a **financial risk** for the Trust if the item being purchased is not delivered, or the company or organisation supplying the goods/services disappears or goes into liquidation or bankruptcy. As a result, the general rule is to **avoid paying for anything in advance of delivery.**

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

- the budget holder 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;
- the CFO may approve the prepayment, permitting the prepayment arrangement to progress if:
 - the proposed arrangements take into account Public Contract Regulations (PCR) where the contract is above a stipulated financial threshold; and
 - the financial advantage outweighs the disadvantages.
- the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately advise the appropriate Director or Chief Executive if problems are encountered.

19.5 Official orders

Official Orders must:

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

19.6 Duties of Managers and Officers

19.6.1 Managers and officers must ensure that they comply fully with the guidance and limits specified by the CFO and that:

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

(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff" (the guidance contained within this document referring to the 'Prevention of Corruption Acts 1889 - 1916' has been superseded by the 'Bribery Act 2010');

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the CFO 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 an NHS contract and purchases from petty cash. Internet purchases are ordered by Procurement and recorded separately.
- (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) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the CFO;
- (i) petty cash records are maintained in a form as determined by the CFO.

19.6.2 The Chief Executive, CFO and Chief Commercial Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the relevant guidance contained. The technical audit of these contracts shall be the responsibility of the relevant Director.

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

19.7.1 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 CFO which shall be in accordance with these Acts. (See overlap with Standing Order 9.1).

20. TRUST COMMISSIONING OF HEALTHCARE SERVICES

20.1 Role of the Chief Executive

20.1.1 The Chief Executive as the Accountable Officer has responsibility for ensuring secondary services are commissioned in accordance with the priorities agreed in the Business Plan. This will involve ensuring Service Level Agreements (SLAs)/contracts are put in place with the relevant providers, based upon integrated care pathways.

20.1.2 SLAs/contracts are essential for different organisations to manage services provided between them. For healthcare they need to have a wide scope. The Chief Executive will need to ensure that all SLAs;

- Meet the standards of service quality expected;
- Fit the relevant national service framework (if any);
- Enable the provision of reliable information on cost and volume of services;
- Fit the NHS Operating Framework (and other relevant guidance);
- that SLAs build where appropriate on existing Joint Investment Plans;
- that SLAs are based upon cost-effective services;

20.1.3 The Chief Executive, as the Accountable Officer, will need to ensure that regular

reports are provided (including as necessary to the Board) detailing actual and forecast expenditure and activity for each SLA.

- 20.1.4 Where the Trust makes arrangements for the provision of services by non-NHS providers see clause 17. Before making any agreement with non- NHS providers, the Trust should explore fully the scope to make maximum cost- effective use of NHS facilities.

20.2 Role of Chief Finance Officer

- 20.2.1 The CFO has responsibility for advising the Chief Executive on all contracting aspects and for maintaining a system of financial monitoring to ensure the effective accounting of expenditure under the SLA. This should provide a suitable audit trail for all payments made under the agreements but maintains patient confidentiality.

21. EXTERNAL BORROWING

- 21.1 The CFO will advise the Board concerning the Trust's ability to pay dividend on interest and repay Public Dividend Capital loans and any proposed new borrowing, within the limits set by the Department of Health & Social Care and NHS England. The CFO is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 21.2 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 CFO.
- 21.3 The DOF must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 21.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from NHS England.
- 21.5 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 CFO. The Board must be made aware of all short-term borrowings at the next Board meeting.
- 21.6 All long-term borrowing must be consistent with the plans outlined in the current Financial Strategy and be approved by the Trust Board.

22. INVESTMENTS

- 22.1 Temporary cash surpluses must be held only in such public or private sector investments as notified and approved by the Secretary of State and authorised by the Board.
- 22.2 The CFO is responsible for advising the Board on investments and shall report periodically to the Finance and Business Performance Committee concerning the performance of investments held.
- 22.3 The CFO will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

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

23.1 Capital Investment

- 23.1.1 The Chief Executive:
- (a) shall ensure that there is an adequate appraisal and approval process in place

for determining capital expenditure priorities and the effect of each proposal upon business plans;

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

23.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (iii) appropriate project management and control arrangements;
- (b) that the CFO has certified professionally to the costs and revenue consequences detailed in the business case.

23.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management.

23.1.4 The CFO shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HMRC guidance.

23.1.5 The CFO shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

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

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

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender (see overlap with SFI No. 17.6);
- (c) approval to accept a successful tender (see overlap with SFI No. 17.6).

The Chief Executive will delegate capital investment management in accordance with the Trust's Standing Orders to allow the above to operate effectively – this will be through the Executive Team, Finance and Business Performance Committee, and the Capital Management Group.

23.1.7 Approval of capital projects and the purchase of capital items must be made within the budget and programme agreed by the Board within the delegated limits below:

- (a) Capital Management Group will approve up to £1m;
- (b) Board to approve over £1m
- (c) For revenue associated with capital business cases, Capital Management Group will approve revenue up to £0.1m; Executive Management Team will approve revenue over £0.1m and up to £1m; Finance and Business Performance Committee and Board will approve over £1m.

23.1.8 The CFO shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These

procedures shall fully take into account the delegated limits for capital schemes issued by the Department of Health & Social Care and NHS England (describing organisational delegated limits).

23.2 Private Finance (see overlap with SFI 17.10)

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

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

23.3 Asset Registers

23.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the DOF concerning the form of any register and the method of updating, and arranging for a CFO check of assets against the asset register to be conducted once a year.

23.3.2 The Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as guided by the Capital Accounting Manual.

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

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

23.3.4 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).

23.3.5 The CFO shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

23.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual.

23.3.7 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual.

23.3.8 The CFO of the Trust shall calculate and pay capital charges as specified in the Capital Accounting Manual.

23.4 Security of Assets

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

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

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

23.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the DOF.

23.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.

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

23.4.6 Where practical, assets should be marked as Trust property.

24. STORES AND RECEIPT OF GOODS

24.1 General position

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

- (a) kept to a minimum;
- (b) subjected to stock take at least annually
- (c) valued at the lower of cost and net realisable value.

24.2 Control of Stores, Stocktaking, condemnations and disposal

24.2.1 Subject to the responsibility of the CFO for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the CFO. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated Estates Manager.

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

24.2.3 The CFO shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

24.2.4 Stocktaking arrangements shall be agreed with the CFO and there shall be a physical check covering all items in store at least once a year.

24.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the CFO.

- 24.2.6 The designated manager/Pharmaceutical Officer shall be responsible for a system approved by the CFO 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 CFO any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI 25 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

24.3 Goods supplied by NHS Supply Chain

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

25. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

25.1 Disposals and Condemnations

25.1.1 Procedures

- 25.1.1.1 The CFO must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.
- 25.1.1.2 When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the CFO of the estimated market value of the item, taking account of professional advice where appropriate.
- 25.1.1.3 All unserviceable articles shall be:
- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the CFO;
 - (b) recorded by the Condemning Officer in a form approved by the CFO 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 CFO.
- 25.1.1.4 The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the CFO who will take the appropriate action.
- 25.1.1.5 Where a criminal offence is suspected, Chief Finance Officer must inform the police if theft or arson is involved. In cases of fraud, bribery and corruption DoF must inform the LCFS.

25.2 Losses and Special Payments

25.2.1 Procedures

- 25.2.1.1 The CFO must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 25.2.1.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the CFO or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the CFO and/or Chief Executive. Where a criminal offence is suspected, the CFO must

immediately inform the police if theft or arson are involved. In cases of fraud, bribery or corruption the CFO must inform the relevant Local Counter Fraud Specialist (LCFS), in accordance with the Government Functional Standard GovS013: Counter Fraud. .

- 25.2.1.3 The DOFCFO must notify LCFS, the Audit Committee and the External Auditor of all frauds.
- 25.2.1.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the CFO must immediately notify:
 - (a) the Board,
 - (b) the LSMS; and
 - (c) the External Auditor.
- 25.2.1.5 The CFO will inform the Board of losses written off and special payments authorised by officers.
- 25.2.1.6 The CFO shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 25.2.1.7 For any loss, the CFO should consider whether any insurance claim can be made.
- 25.2.1.8 The CFO shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 25.2.1.9 Any novel, contentious or repercussive cases should be referred to Department of Health & Social Care for approval. If any general losses emerge from a loss or special payment which would be of interest to others, then the Department of Health & Social Care should be informed.
- 25.2.1.10 All losses and special payments must be reported to the Audit Committee (AC) periodically.

26. INFORMATION TECHNOLOGY

26.1 Responsibilities and duties of the Director for Finance

- 26.1.1 The CFO, 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 the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018;
 - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
 - (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 26.1.2 The CFO shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation,

assurances of adequacy must be obtained from them prior to implementation.

26.2 Risk Assessment

26.2.1 The CFO and the Chief Digital Information Officer shall ensure that financial risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk.

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

26.3.1 Where computer systems have an impact on corporate financial systems the DOF shall need to be satisfied that:

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

27. PATIENTS' PROPERTY

27.1.1 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 hospital or dead on arrival.

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

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

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

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

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

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

27.1.6 Staff should be informed, on appointment, by the appropriate departmental or senior

manager of their responsibilities and duties for the administration of the property of patients.

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

28. FUNDS HELD ON TRUST

28.1 Corporate Trustee

- 28.1.1 Standing Order 4.8.15 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, that defines the need for compliance with Charities Commission latest guidance and best practice. As corporate trustee of the Charitable funds, its responsibilities are governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993, 2006 and the Charities Act 2011 as amended by the Charities Act 2016.

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

- 28.1.3 The NHS Board has devolved responsibility for the ongoing management of charitable funds to the Charitable Funds Committee, which administers the funds on behalf of the Corporate Trustee. As such the Committee acts independently of the Board. Members of the Committee are not individual trustees under charity law but act as agents on behalf of the Corporate Trustee.

- 28.1.4 The CFO shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

28.2 Accountability to Charity Commission and Secretary of State for Health

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

28.3 Applicability of Standing Financial Instructions to funds held on Trust

- 28.3.1 In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No 17.16).
- 28.3.2 The overriding 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.

29. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO 6.2 and SFI 19.2.3 & 19.6)

- 29.1.1 The CFO shall ensure that all staff are made aware of the Trust policy on the Standards of Business Conduct on the acceptance of gifts and other benefits in kind by staff. It is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO 6.2).
- 29.1.2 Staff should make themselves aware of, and comply with, the Bribery Act 2010, the Code of Conduct for NHS Managers 2002, and the ABPI 'The Code of Practice for the Pharmaceutical Industry Second 2012 Edition' relating to hospitality/gifts from pharmaceutical / external industry.

30. RETENTION OF RECORDS

- 30.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Records Management Code of Practice (2022).
- 30.1.2 The records held in archives shall be capable of retrieval by authorised persons.
- 30.1.3 Records held in accordance with latest Department of Health & Social Care guidance shall only be destroyed at the express instigation of the Chief Executive or delegated Information Asset Manager. Detail shall be maintained of records so destroyed.

31. RISK MANAGEMENT AND INSURANCE

31.1 Programme of Risk Management

- 31.1.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health & Social Care assurance framework requirements, which must be approved and monitored by the Board.
- 31.1.2 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.
- 31.1.3 The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement within the Annual Report and Accounts as required by current Department of Health & Social Care guidance.

31.2 Insurance: Risk Pooling Schemes administered by NHS Resolution

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

31.3 Insurance arrangements with commercial insurers

- 31.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:
- a) Trust's may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
 - b) where the Trust is involved with a consortium in a Private Finance Initiative (PFI) contract and the other consortium members require that commercial insurance arrangements are entered into; and
 - c) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the CFO should consult the Department of Health & Social Care.
 - d) The Trust also insure trustees of the Charity.

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

- 31.4.1 Where the Board decides to use the risk pooling schemes administered by NHS Resolution the CFO shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The CFO shall ensure that documented procedures cover these arrangements.
- 31.4.2 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 CFO 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 CFO 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.
- 31.4.3 All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The CFO should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

SECTION D – SCHEME OF RESERVATION AND DELEGATION

32. Reservation of Matters to the Board

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chair in public session in accordance with SO 5.2 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property. 15. Authorise use of the seal. 16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6. 17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.
NA	THE BOARD	<p>Appointments/Dismissal</p> <ol style="list-style-type: none"> 1. Appoint the Senior Independent Director of the Board. 2. Apoint and dismiss of Associates of the Trust Board. 3. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 4. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2). 5. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 6. Appoint, appraise, discipline and dismiss the Company Secretary (if the appointment of a Secretary is required under Standing Orders). 7. Approve proposals of the Nominations and Remuneration Committee regarding directors and senior employees and those of the Chief Executive.
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State. 3. Approve the Trust's policies and procedures for the management of risk.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<ol style="list-style-type: none"> 4. Approve Outline and Final Business Cases for Capital and Revenue Investment over £1m. 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve the opening of bank accounts. 10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £1,000,000 over a three-year period or the period of the contract if longer. 11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board. 12. Approve individual compensation payments. 13. Approve proposals for action on litigation against or on behalf of the Trust. 14. Review use of NHS Resolution risk pooling schemes (LPST/CNST/RPST).
	THE BOARD	<p>Policy Determination Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</p>
	THE BOARD	<p>Audit</p> <ol style="list-style-type: none"> 1. Approve the appointment (and where necessary dismissal) of External Auditors of funds held on trust, and the submission of reports to the Audit Committee meetings who will take appropriate action 2. Receipt of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.
NA	THE BOARD	<p>Annual Reports and Accounts</p> <ol style="list-style-type: none"> 1. Receipt and approval of the Trust's Annual Report and Annual Accounts. 2. Receipt and approval of the Annual Report and Accounts for funds held on trust.
NA	THE BOARD	<p>Monitoring</p> <ol style="list-style-type: none"> 1. Receipt of such reports as the Board sees fit from committees in respect of their exercise of powers delegated. 2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board. 3. Receive reports from Chief Finance Officer on financial performance against budget operational plan and any Integrated Care System or Integrated Care Partnership plans. 4. Receive reports from Chief Executive on actual and forecast income from SLA.

33. DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
N/A	Executive Management Committee	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Review updated versions of the Standing Financial Instructions and recommend them to the Board for approval. 2. Approve Policies other than those formally delegated to other sub Committees of the Board 3. Approve operational and management procedures which affect the whole Trust or more than one division and keeping the effectiveness of procedures under review. 4. Review Outline and Final Business Cases for Capital and Revenue Investment over £1m and recommend to Finance and Business Performance Committee and the Board. 5. Approve Final Business Cases for Revenue Investment over £0.1m and up to £1m.
SFI 11.1	Audit Committee	<p>Governance, Risk Management and Internal Control</p> <p>The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives. In particular, the Committee will review the adequacy of:</p> <ul style="list-style-type: none"> • All risk and control related disclosure statements (in particular the Annual Governance Statement and Quality Accounts), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board; • The underlying assurance processes that indicate the degree of the achievement of corporate objectives and assurance over quality of data in relation to performance reporting. This shall be through a review of the work of other relevant Committees which provide relevant assurances to support the Audit Committee's own scope of work; • The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements; • The Committee shall be notified of, and review, any decision to suspend Standing Orders; • The policies and procedures for all work related to fraud and corruption as required by NHS requirements to meet Government Functional Standard 013: Counter Fraud.; and • The policies and procedures for staff to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters, ensuring that arrangements are in place for independent investigation of such matters and for appropriate follow-up action audit <p>1. Internal Audit</p> <p>The Committee shall ensure that there is an effective internal audit function established by management that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:</p> <ul style="list-style-type: none"> • Considering and making recommendations for the provision of the internal audit service, the audit fee and any questions of resignation and dismissal;

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • Review and approval of the internal audit strategy and the detailed programme of internal audit work, ensuring that this is consistent with the audit needs of the Trust as identified by the Board Assurance Framework; • Consideration of the major findings of internal audit, together with management’s response; <ul style="list-style-type: none"> ▪ The Committee shall monitor the implementation of actions to address all recommendations arising from Internal Audit reports through the use of an overall audit and assurance outstanding recommendation tracker to be reported to each meeting; ▪ Ensuring co-ordination between the internal and external auditors to optimise audit resources and avoid duplication; ▪ Ensuring that the internal audit function is adequately resourced and has appropriate standing within the Trust through ongoing monitoring against core Internal Audit KPIs; and ▪ Annual review of the effectiveness of internal audit. <p>2. Local Counter Fraud Service</p> <p>The Committee shall review the work plan and periodic reviews of the local counter fraud service and consider actions necessary to combat fraud and corruption. This will be achieved by:</p> <ul style="list-style-type: none"> • consider the appointment of the Local Counter Fraud Specialists (LCFS), the LCFS fee, the LCFS’ scope and any question of resignation and dismissal; • consider and approve the counter fraud strategy and the annual work plan, ensuring that this is consistent with the needs of the Trust; • monitor the performance of the LCFS in the provision of both reactive and proactive fraud work in line with the requirements set out in the NHS requirements to meet Government Functional Standard 013: Counter Fraud including the appointment of the LCFS.; and • review LCFS reports, consider the major findings of fraud investigations, and management’s response, and ensure co-ordination between the LCFS, internal and external auditors. <p>3. External Audit</p> <p>The Committee shall ensure a cost-efficient service, review the work and findings of the appointed external auditor and consider the implications and management’s responses to their work. This will be achieved by:</p> <ul style="list-style-type: none"> • Consideration of the appointment and performance of the external auditor; • Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the annual audit plan, and ensure coordination, as appropriate, with other external auditors in the local health economy; • Discussion with the External Auditor of their local evaluation of audit risks, their assessment of the Trust and the associated impact on the audit fee; • Review of all External Audit reports together with the management responses; • Agreement of the annual audit letter before submission to the Board and agreement to any work falling outside the

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>annual audit plan; and</p> <ul style="list-style-type: none"> • The Committee will develop a policy, and monitor its implementation, on the engagement of the external auditor to supply any non-audit services to ensure the external auditor retains a high degree of independence from the Trust. <p>4. Other Assurance Functions The Committee shall review the findings of other significant assurance functions, both internal and external to the Trust, and consider the implications to the governance of the Trust.</p> <p>Internally this will include the assurances provided through the Quality and Clinical Governance Committee. The Committee shall review the processes used by the Quality and Clinical Governance Committee to gain assurance. The Committee will wish to satisfy themselves on the assurance that the Quality and Clinical Governance Committee gain from the clinical audit function.</p> <p>Assurances will also be reviewed from information governance, workforce, health and safety, research governance and other functions.</p> <p>The Committee will ensure that the Assurance Framework records the level of assurance given by external reviews carried out by regulators such as the Care Quality Commission, NHS Resolution, Royal Colleges and other similar professional bodies. The Quality and Clinical Governance Committee will review the findings and the management response.</p> <p>5. Management The Committee shall request and review reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.</p> <p>6. Financial Reporting The Committee shall review the Annual Report and Financial Statements before submission to the Board, focusing particularly on:</p> <ul style="list-style-type: none"> • The wording in the Annual Governance Statement and other disclosures within the terms of reference of the Committee; • Changes in, and compliance with, accounting policies and practices; • Unadjusted misstatements in the financial statements; • Significant judgements in the preparation of the financial statements; • Significant adjustments resulting from the audit; • Letter of representation; and • Qualitative aspects of financial reporting. <p>The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.</p> <p>The Committee shall review schedules of losses and compensations, making recommendations to the Board of Directors as appropriate, taking account of delegated limits; The Committee shall monitor compliance with the Trust's Standing Orders, including through notification and review of any decision to</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>suspend them; and</p> <p>The Committee shall monitor compliance with Standing Financial Instructions through receipt of waivers for all variations</p>
SFI 18.1	<p>Nominations and Remuneration Committee</p>	<p>The Committee shall be responsible for the following duties:</p> <p>1. Nominations:</p> <ul style="list-style-type: none"> • To regularly review the structure, size and composition (including skills, knowledge, experience and diversity) required of the Board and make recommendations with regard to changes; • To oversee and review the Trust's talent management strategy ensuring this supports effective and robust succession planning including both internal identification and development of talent and external environment scanning; • To give full consideration to and make plans for succession planning for the Chief Executive, Executive Directors and specified Senior Officers, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed, in particular on the Board in future; • Before advertising a position, to evaluate the balance of skills, knowledge, experience and diversity on the Board and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment; • To oversee the Board recruitment process including the identification and nomination for appointment candidates to fill posts within its remit using open advertising or the use of external advisers to facilitate the search; consider candidates from a wide range of backgrounds and consider candidates on merit against objective criteria; • To consider any matter relating to the continuation in office of the Chief Executive, Executive Director or specified Senior Officers, including suspension or termination of service as an employee of the Trust; and • To consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of its responsibilities. <p>2. Remuneration:</p> <ul style="list-style-type: none"> • To decide and review the remuneration of the Chief Executive, Executive Directors and specified Senior Officers on locally determined pay. This advice will include all aspects of salary (including any performance-related elements/bonuses), provisions for other benefits including pensions and cars, as well as arrangements for termination of employment and other contractual terms. • to advise on and oversee appropriate contractual arrangements for the Chief Executive, Executive Directors including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate; • to ensure that the basis for employment of the Chief Executive, Executive Directors and specified Senior Officers is set out in properly constructed written contracts of employment • To ensure that Board of Directors emoluments are

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
HSC 1999/065	Quality and Clinical Governance Committee	<p style="text-align: center;">accurately reported in the Trust's Annual Report</p> <p>The Committee objectives will be:</p> <ol style="list-style-type: none"> 1. To provide leadership and assurance to the Board on the effectiveness of the structures, policies, systems and processes for quality assurance, clinical, information and quality governance , specifically in the areas of: <ul style="list-style-type: none"> • Patient Safety • • Patient Experience • Clinical Effectiveness. 2. Review the Quality Strategy to ensure continuous improvement is delivered in quality and safety; 3. Identify annual objectives of the Committee, produce an annual work plan in the agreed Trust format, measure performance at the end of the year and produce an annual report. This will also include an assessment of compliance with the Committee's terms of reference and a review of the effectiveness of the committee. 4. Review reports about compliance with external assessment and reporting, e.g. Care Quality Commission's registration requirements set out in the essential standards of quality and safety, the NHS Resolution standards, assessments or reports from the Medicines and Healthcare Regulatory Authority (MHRA) or the Health and Safety Executive (HSE), the reporting framework for serious incidents and any others that may arise in relation to compliance; 5. To examine in-depth key quality issues and thereby contribute to the development of a quality culture 6. Oversee implementation of all elements of the quality strategy. In particular, obtaining assurance that the measures for success are implemented within the appropriate time scales; 7. Gain assurance over the full range of quality performance via the quality report, quality dashboard, minutes and reports from relevant stakeholder groups and the provision of any other quality related information that the committee may request; 8. To oversee the development of the Quality Account, ensuring they reflect the views of key stakeholders and advise the Audit Committee on publication; and 9. Undertake any other responsibilities as delegated by the Trust board.
N/A	Finance and Business Performance Committee	<p>The Finance and Performance Committee shall be responsible for the following duties:</p> <ol style="list-style-type: none"> 1. Financial Matters <ul style="list-style-type: none"> • To monitor, advise on and recommend to the Board matters relating to the Trust's financial strategy and policies; • Oversee and evaluate the Trust's financial strategy to deliver the integrated business plan; • To critically appraise the Trust's annual budgets for the Board's approval; • Undertake detailed scrutiny of monthly, quarterly and year to date financial information, including performance against the cost improvement programme; • Review the annual Trust Service and financial plans: revenue, capital, working capital and key performance targets; • Undertake detailed scrutiny of the financial forward projections;

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • Oversee the development, management and delivery of the Trust's annual capital programme; • Review and maintain an overview of financial and service delivery agreements and key contractual arrangements; • Oversee the delivery of the cost improvement programme and development of the Trust's efficiency and productivity processes; • Review the Trust's digital strategy and management and review of implementation of digital capabilities • Review the Trust's estates strategy and review and propose future land and property transactions; and • Consider key financial policies e.g. investment policy, issues and developments to ensure that they are shaped, developed and implemented in the Trust appropriately. <p>2. Business Cases Review Outline and Final Business Cases for Capital and Revenue Investment over £1m and recommend to the Board. Including any related MoUs.</p> <p>3. Performance Management</p> <ul style="list-style-type: none"> • Receive assurance from the Executive Management Committee in respect of divisional performance regarding key performance indicators; • Review the Trust's performance reporting and support the development of appropriate performance measures, including key performance indicators around the operating framework; • Oversee and evaluate the Trust's performance management strategy to ensure a framework is in place which allows the Trust to performance manage against its business plan.
N/A	Charitable Funds Committee	<p>The Committee will:</p> <ul style="list-style-type: none"> • Ensure the Charity complies with current legislation; • Determine the charitable fund's investment policy, including the selection of appropriate investment advisers and banking service provider; • Review the performance of the Charity's investments; • Set and review an expenditure policy, including the use of investment gains; • Approving expenditure over £50,000. This responsibility may be discharged by the Chair of the Committee and Chief Finance Officer acting together. All approved expenditure of over £5,000 will be reported to the next meeting of the Committee. Fund managers have authority to approve expenditure up to £5,000, the Chief Executive and Chief Finance Officer up to £50,000; • Review individual fund balances within the overall Charity on a regular basis; • Agree guidance and procedures for fundraising and expenditure; • Agree expenditure plans from individual fund holders; • Review and ensure audit recommendations are actioned; • To approve annual accounts for the Charity and ensure relevant information is disclosed; • Produce an annual report for the Charity in accordance with section 45 of the Charities Act 1993 and Charities Act 2006; • Encourage a culture of fundraising and raise the profile of the Charity within the Trust and local population;

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • Develop and approve promotional material of the Charity on behalf of the Trustees to ensure that material used will not place the Charity's reputation at undue risk; • To ensure that all fund raising and expenditure is clinically and ethically appropriate; • To ensure funding decisions are appropriate and consistent with objectives, and to ensure said funding provides added value and benefit to patients and staff above those afforded by income for commissioned services; • To receive regular reports on the Charitable Trust fundraising activities; • To provide regular reports to the Audit Committee to enable it to provide assurance to the Board that the Charity is properly governed and well managed across the full range of activities; and • To implement appropriate policies and procedures to ensure that accounting systems are robust, donations received are acknowledged and that all expenditure is reasonable and in accordance with donors wishes.

34. SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
1.	CHIEF EXECUTIVE	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
2.	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
3.	CHIEF EXECUTIVE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
4.	CHIEF EXECUTIVE	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> * have a clear view of their objectives and the means to assess achievements in relation to those objectives be assigned well defined responsibilities for making best use of resources * have the information, training and access to the expert advice they need to exercise their responsibilities effectively.
5.	CHAIR	Implement requirements of corporate governance.
6.	CHIEF EXECUTIVE	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities.
7.	Chief Finance Officer	Operational responsibility for effective and sound financial management and financial information.
8.	CHIEF EXECUTIVE	Primary duty to see that the Chief Finance Officer discharges this function.
9.	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
10.	CHIEF EXECUTIVE AND Chief Finance Officer	Chief Executive, supported by Chief Finance Officer, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
11.	CHIEF EXECUTIVE	If Chief Executive considers the Board or Chair is doing something that might infringe probity or regularity, he should set this out in writing to the Chair and the Board. If the

REF	DELEGATED TO	DUTIES DELEGATED
		matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary, the Department of Health & Social Care.
12.	CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Chief Executive's responsibility for value for money, the Chief Executive should draw the relevant factors to the attention of the Board. If the outcome is that the Chief Executive is overruled, it is normally sufficient to ensure that the Chief Executive's advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Chief Executive should inform the NHS England and the Department of Health. In such cases, and in those described in section 35 row 23, the Chief Executive should as a member of the Board vote against the course of action rather than merely abstain from voting.

35. SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.	BOARD	Approve procedure for declaration of hospitality and sponsorship.
14.	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
15.	ALL BOARD MEMBERS	Subscribe to Code of Conduct.
16.	BOARD	Board members share corporate responsibility for all decisions of the Board.
17.	CHAIR AND NON-EXECUTIVE/DIRECTORS	Chair and Non-Executive Directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
18.	BOARD	The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State: <ol style="list-style-type: none"> 1 to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2 to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3 to appoint, appraise and remunerate senior executives; 4 to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer-term objectives and agree plans to achieve them; 5 to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6 to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.
19.	CHAIR	It is the Chair's role to: <ol style="list-style-type: none"> 1 provide leadership to the Board; 2 enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3 ensure that key and appropriate issues are discussed by the Board in a timely manner, 4 ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5 lead Non-Executive Board members through a formally appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6 appoint Non-Executive Board members to an Audit Committee of the main Board; 7 advise the Secretary of State on the performance of Non-Executive Board members.
20.	CHIEF EXECUTIVE	The Chief Executive is accountable to the Chair and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>maintenance of proper financial stewardship. The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
21.	NON-EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by NHS England to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.
22.	CHAIR AND DIRECTORS	Declaration of conflict of interests.
23.	BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health & Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

36. SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
0.1	CHAIR	Final authority in interpretation of Standing Orders (SOs).
2.4	BOARD	Appointment of Senior Independent Director
3.1	CHAIR	Call meetings.
3.9	CHAIR	Chair all Board meetings and associated responsibilities.
3.10	CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	CHAIR	Having a second or casting vote
3.13	BOARD	Suspension of Standing Orders
3.13	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.14	BOARD	Variation or amendment of Standing Orders
5.3	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
5.2	CHAIR & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.5	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	THE BOARD	Declare relevant and material interests.
7.2	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
7.4	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" (2022)
7.4	ALL	Disclose relationship between self and candidate for staff appointment. (Chief Executive to report the disclosure to the Board.)
8	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
8.4	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

37. SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.1.3	CHIEF FINANCE OFFICER	Approval of all financial procedures.
10.1.4	CHIEF FINANCE OFFICER	Advice on interpretation or application of SFIs.
10.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
10.2.2	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.2	CHIEF EXECUTIVE & CHIEF FINANCE OFFICER	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.2	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.3	CHIEF FINANCE OFFICER	Responsible for: 1 Implementing the Trust's financial policies and coordinating corrective action; 2 Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; 3 Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; 4 Providing financial advice to members of Board and staff; 5 Maintaining such accounts, certificates etc. as are required for the Trust to carry out its statutory duties.
10.2.4	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
10.2.5	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
11.1.2	CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
11.1.3 & 11.2.1	CHIEF FINANCE OFFICER	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
11.2.1	CHIEF FINANCE OFFICER	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud, bribery or corruption.
11.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
11.4	AUDIT COMMITTEE	Ensure cost-effective External Audit.
11.5	CHIEF EXECUTIVE & CHIEF FINANCE OFFICER	Monitor and ensure compliance with NHS requirements to meet Government Functional Standard 013: Counter Fraud including the appointment of the Local Counter Fraud Specialist.
11.6	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		the Secretary of State for Health on NHS site security management including appointment of the Local Security Management Specialist.
16.1.1	CHIEF EXECUTIVE	Compile and submit to the Board a Business Plan which takes into account financial targets and forecast limits of available resources. The Business Plan will contain: <ol style="list-style-type: none"> 1 a statement of the significant assumptions on which the plan is based; 2 details of major changes in workload, delivery of services or resources required to achieve the plan.
16.1.2 & 16.1.3	CHIEF FINANCE OFFICER	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
16.2.4	CHIEF FINANCE OFFICER	Ensure adequate training is delivered on an ongoing basis to budget holders.
16.3.1	CHIEF EXECUTIVE	Delegate budget to budget holders.
16.3.2	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
16.4.1	CHIEF FINANCE OFFICER	Devise and maintain systems of budgetary control.
16.4.2	BUDGET HOLDERS	Ensure that <ol style="list-style-type: none"> a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and workforce establishment.
16.4.3	CHIEF FINANCE OFFICER	Identify and implement cost improvements and income generation activities in line with the Business Plan.
16.6.1	CHIEF EXECUTIVE	Submit monitoring returns
12.1	CHIEF FINANCE OFFICER	Preparation of annual accounts and reports.
13	CHIEF FINANCE OFFICER	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
14	CHIEF FINANCE OFFICER	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
14.2.3	ALL EMPLOYEES	Duty to inform Chief Finance Officer of money due from transactions which they initiate/deal with.
17	CHIEF EXECUTIVE	Tendering and contract procedure.
17.5.3	CHIEF FINANCE OFFICER & CHIEF EXECUTIVE	Waive formal tendering procedures.
17.5.3	CHIEF EXECUTIVE	Report waivers of tendering procedures to the Board.
17.5.4	CHIEF FINANCE OFFICER	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the Chief Executive.
17.6.4	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.6.5	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations dispatched.
17.6.6	CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER	Where one tender is received will assess for value for money and fair price.
17.6.6	CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
17.6.9	CHIEF EXECUTIVE	Will appoint a manager to maintain a list of approved firms.
17.6.9	CHIEF EXECUTIVE	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
17.7.2	CHIEF EXECUTIVE	The Chief Executive or his/her nominated officer should evaluate the quotation and select the quote which gives the best value for money.
17.7.5	CHIEF EXECUTIVE or CHIEF FINANCE OFFICER	No quotation/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.
17.10	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
17.10	BOARD	All PFI proposals and variations must be agreed by the Board.
17.11 & 17.12	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
17.14	CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.17	CHIEF EXECUTIVE	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
17.17.5	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
17.15	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services
15.4.1	CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA
18.1.1	BOARD	Establish a Nominations & Remuneration Committee
18.1.2	REMUNERATION COMMITTEE	<ul style="list-style-type: none"> Advise the Board on and make recommendations on the remuneration and terms of service of the Chief Executive, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements; Monitor and evaluate the performance of individual senior employees; Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
18.1	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
18.3	BOARD	Approve proposals presented by the Chief Executive for

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
18.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
18.3	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
18.4	CHIEF FINANCE OFFICER	Payroll: <ul style="list-style-type: none"> • specifying timetables for submission of properly authorised time records and other notifications; • final determination of pay and allowances; • making payments on agreed dates; • agreeing method of payment; • issuing instructions (as listed in SFI 10.2.2).
18.4.3	NOMINATED MANAGERS AS PER AUTHORISED SIGNATORIES POLICY	<ul style="list-style-type: none"> • Submit time records in line with timetable. • Complete time records and other notifications in required form. • Submitting termination forms in prescribed form and on time.
18.4.4	CHIEF FINANCE OFFICER	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
18.6	CHIEF PEOPLE OFFICER	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and deal with variations to, or termination of, contracts of employment.
19	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level. Such delegation is covered in the Limits of Delegation.
19.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
19.2.3	NOMINATED MANAGERS AS PER AUTHORISED SIGNATORIES LISTING	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
19.2.4	CHIEF FINANCE OFFICER	Shall be responsible for the prompt payment of accounts and claims.
17.6 & 17.7	CHIEF FINANCE OFFICER	<ul style="list-style-type: none"> • Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; • Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; • Be responsible for the prompt payment of all properly authorised accounts and claims;

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ul style="list-style-type: none"> • Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; • 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; • Instructions to employees regarding the handling and payment of accounts within the Finance Department; • Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
19.4.2	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
19.4.2	CHIEF FINANCE OFFICER	Approve proposed prepayment arrangements.
19.4.2	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform Chief Finance Officer if problems are encountered).
19.5	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
19.6.1	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
19.6.2	CHIEF EXECUTIVE, CHIEF FINANCE OFFICER & CHIEF COMMERCIAL OFFICER	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
19.7	CHIEF FINANCE OFFICER	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
21.1.1	CHIEF FINANCE OFFICER	The Director of Finance will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
21.2	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Chief Executive and Chief Finance Officer).
21.3	CHIEF FINANCE OFFICER	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
21.5	CHIEF EXECUTIVE OR CHIEF FINANCE OFFICER	Be on an authorising panel comprising one other member for short-term borrowing approval.
22.2	CHIEF FINANCE OFFICER	Will advise the Board on investments and report, periodically, on performance of same.
22.3	CHIEF FINANCE OFFICER	Prepare detailed procedural instructions on the operation of investments held.
10.2.3	CHIEF FINANCE OFFICER	Ensure that Board members are aware of the Financial Framework and ensure compliance
23.1	CHIEF EXECUTIVE	<p>Capital investment programme:</p> <ul style="list-style-type: none"> • ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans • responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost;

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ul style="list-style-type: none"> ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; ensure that a business case is produced for each proposal.
23.1.2	CHIEF FINANCE OFFICER	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
23.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
23.1.4	CHIEF FINANCE OFFICER	Assess the requirement for the operation of the construction industry taxation deduction scheme.
23.1.5	CHIEF FINANCE OFFICER	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
23.1.6	CHIEF EXECUTIVE	<ul style="list-style-type: none"> Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
23.1.8	CHIEF FINANCE OFFICER	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
23.2.1	CHIEF FINANCE OFFICER	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
23.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
23.3.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from Director of Finance).
23.3.5	CHIEF FINANCE OFFICER	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
23.3.8	CHIEF FINANCE OFFICER	Calculate and pay capital charges in accordance with Department of Health requirements.
23.4.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
23.4.2	CHIEF FINANCE OFFICER	Approval of fixed asset control procedures.
23.4.4 & 23.4.5	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to Chief Finance Officer, and reporting losses in accordance with Trust procedure.
24.2.1	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to Chief Finance Officer responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
24.2.1	CHIEF FINANCE OFFICER	Responsible for systems of control over stores and receipt of goods.
24.2.1	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks
24.2.1	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
24.2.2	CHIEF COMMERCIAL OFFICER	Security arrangements and custody of keys
24.2.3	CHIEF FINANCE	Set out procedures and systems to regulate the stores.

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	OFFICER	
24.2.4	CHIEF FINANCE OFFICER	Agree stocktaking arrangements.
24.2.4	CHIEF FINANCE OFFICER	Approve alternative arrangements where a complete system of stores control is not justified.
24.2.6	CHIEF FINANCE OFFICER	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
24.3.1	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
25.1.1	CHIEF FINANCE OFFICER	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers. These procedures must be cross-referenced, where appropriate, to procedures put in place by the Chief Commercial Officer on the disposal of medical equipment.
25.2.1	CHIEF FINANCE OFFICER	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
25.2.1	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Chief Executive and Chief Finance Officer.
25.2.1	CHIEF FINANCE OFFICER	Where a criminal offence is suspected, Chief Finance Officer must inform the police if theft or arson is involved. In cases of fraud, bribery and corruption Chief Finance Officer must inform the relevant LCFS in line with NHS requirements to meet Government Functional Standard 013: Counter Fraud.
25.2.1	CHIEF FINANCE OFFICER	Notify the LCFS and External Audit of all frauds.
25.2.1	CHIEF FINANCE OFFICER	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
25.2.1	BOARD	Approve write off of losses (within limits delegated by Department of Health).
25.2.1.7	CHIEF FINANCE OFFICER	Consider whether any insurance claim can be made.
25.2.1	CHIEF FINANCE OFFICER	Maintain losses and special payments register.
26.1.1	CHIEF FINANCE OFFICER	Responsible for accuracy and security of computerised financial data.
26.1.2	CHIEF FINANCE OFFICER	Satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurance of adequacy must be obtained from them prior to implementation.
1.2.3	SENIOR INFORMATION RISK OFFICER	Shall publish and maintain a Freedom of Information Scheme.
26.3	RELEVANT OFFICERS	Send proposals for general computer systems to Director of Finance
26.3	CHIEF FINANCE OFFICER	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.

SO or SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
26.2	CHIEF FINANCE OFFICER	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
26.3	CHIEF FINANCE OFFICER	Where computer systems have an impact on corporate financial systems satisfy himself that: <ul style="list-style-type: none"> • systems acquisition, development and maintenance are in line with corporate policies; • data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management trail exists; • Chief Finance Officer and staff have access to such data; • Such computer audit reviews are being carried out as are considered necessary.
27.1.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
27.1.3	CHIEF FINANCE OFFICER	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.
27.1.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
28.1.4	CHIEF FINANCE OFFICER	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
29.1.1	CHIEF FINANCE OFFICER	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind
30	CHIEF EXECUTIVE	Retention of document procedures in accordance with HSC 1999/053; Standards of Business Conduct Policy (2022)
31.1	CHIEF EXECUTIVE	Risk management programme.
31.1	BOARD	Approve and monitor risk management programme.
31.2.1	BOARD	Decide whether the Trust will use the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
31.4	CHIEF FINANCE OFFICER	Where the Board decides to use the risk pooling schemes administered by NHS Resolution the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements. Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.
31.4.3	CHIEF FINANCE OFFICER	Ensure documented procedures cover management of claims and payments below the deductible.

Schedule 1:

Authority to commit or spend Trust money - delegated limits

Responsibilities set out in Standing Financial Instructions

The Trust's Standing Financial Instructions are very clear about staff requiring formal authority to commit or spend Trust money.

Staff who commit or spend Trust money must read the Standing Financial Instructions - specific areas to be aware of (this is not an exhaustive list) are as follows:

- Section 15.5 covers **staff making decisions about healthcare procedures**, and states that staff should not commit resources to do work not covered, or restricted by, Commissioners Contracts.
- Section 16 covers **budget holders** and states that Trust resources should be spent according to what the budget has been allocated for;
- Section 18 covers **pay** expenditure (revenue);
- Section 19 covers **non pay** expenditure (revenue)
- Section 23 covers **capital**.

It is each individual's responsibility to make themselves aware of their responsibilities as stated in the Standing Financial Instructions.

Formal authorisation

This schedule provides the limits to be applied. Not every person at each level will have delegated authority - specific authority is provided by an individual signing, and an (authorised) senior signing to confirm, an authorised signatory proforma.

If you do not have a signed authorised signatory form saying so you do not have delegated authority to commit or spend Trust money.

Automated Trust financial and purchasing processes

The Trust uses an electronic purchasing system (E-Procurement). The system is highly automated. Staff must ensure they are:

- (a) trained to use it,
- (b) use it properly and
- (c) do not let the system emails generated build up, they must be dealt with promptly

Within the system authority levels for posts are set such that:

- Post holders who requisition goods and services are unable to approve those purchases, the requisition moves electronically to the next line manager level for approval.
- If that requisition is above the next levels approval limit it moves electronically to the next level.
- This is repeated until the requisition is approved or it gets to the Chief Executive.
- The purpose of the detailed bandings is to facilitate a smooth progression upwards and avoid significant 'limit' bottlenecks.
- The process operates similarly for approval of non-purchase order expenditure where invoicing is sent electronically through the same approvals hierarchy.

Delegated limits

1. Introduction

1.1 The Code of Accountability requires that Boards draw up a schedule of decisions reserved to the Board and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation).

1.2 Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated Powers are covered in Section 2.9 and section D (also known as the Scheme of Delegation) of Standing Orders and Appendix 2 of the Corporate Governance Framework Manual. This document has effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.3 Approval for Revenue Expenditure and Business Cases assumes that sufficient budget is, or will be made, available. Approval cannot be made where the expenditure or business cases cannot, or will not, be met by budget.

Committees or individuals only have delegated authority for specific items up to the limits delegated to them. Circumvention of these limits by breaking requisitions or clearly linked items into smaller units is specifically banned.

2 Limits Conditions of Use

- Limits are always subject to sufficient budget being available unless agreed by the Director of Finance.
- Only a single limit only can be applied to transaction Individuals limits cannot be combined with another individual's limit.
- Limits may be withdrawn or amended in-year as part of an Expenditure management plan.
- Individuals' limits will be suspended in the case of continued non-compliance to the SO's and SFI's or where non-compliance with SFI's is considered to be material enough to warrant this action.
- Unless otherwise stated individual Limits cannot be combined with another individual's limit, any exception to this is detailed in the limits schedule in section 3.
- It is a breach of SFIs to segment an order so that the cost taken into account against a signatory limit is lower. Purchase orders must be raised for the entire contract period to the full value or estimated value of the contract, see table below. The value of contracts is calculated as the cost or forecast cost over the duration of the contract eg if a contract value is £100,000 and the duration of the contract is 5 years then the value to be taken into account against a signatory limit is £500,000 (5 x £100,000).

3 Limits of Authority

3.1(a) Authority to approve Revenue expenditure and MoU signatures, contract signatures and variations and both Capital and Revenue (excluding VAT)

Contract Change Notices can be signed in accordance with the value of the Contract Change Notice

Exceptions to the limits below:

Authority to approve Payroll Positive Returns, excluding individual's own return, will be indicated on the Authorised Signatory Schedule provided to the Payroll provider.

Board Approval	≥ £1,000,000	Item/contract values equal to or exceeding £1,000,000 must go to the Board for approval, following review by Finance and Business Performance Committee and the Executive Management Committee. In respect of any Leases or contracts, the value should be determined by the whole life value. Once approved by Board, any Executive Director can act as signatory.
Chief Executive	Up to £1,000,000	Business cases for schemes up to this value and ≥ £100,000 will be approved by the Executive Management Committee.
Director of Finance	Up to £750,000	As above re business case approval.
Deputy Director of Finance	Up to £500,000	As above re business case approval.
Executive Director	Up to £250,000	As above re business case approval. All other voting and non-voting
Divisional Directors, Heads of Nursing and Divisional Chairs Head of Midwifery Corporate Directors, Deputy Directors or Assistant Directors or equivalent	Up to £100,000	As above re business case approval.
General Managers, Heads of Nursing or equivalent	Up to £40,000 £20,000	
Service Managers, Matrons or equivalent	Up to £5,000	.
Ward sisters or equivalent	Up to £500	
In some circumstances the Executive Director responsible may seek authorisation from the Chief Finance Officer to raise delegated limits of certain named managers, not to a level greater than the Chief Finance Officer.		

3.1(b) Authority for Pharmacy to approve expenditure on Drugs

These limits apply only to Drugs expenditure while the Trust is a participant in the Commercial Medicines Unit (CMU)

Chief Pharmacist Associate Director	Non-binding credit agreements	CMU negotiated contracts non-binding credit agreements only
Chief Pharmacist	≥ £250,000	
Associate Director	Up to £250,000	Homecare only
	Up to £150,000	Other drugs
Senior Pharmacy Staff (8a)	£70,000	Two signatures
Senior Pharmacy Staff (8a)	£10,000	Single signature
In Exceptional Circumstances where it is felt that patient safety may be compromised the above limits may be delegated as necessary by the Chief Pharmacist, Chief Executive, Chief Operating Officer, Medical and Nursing Directors		

**3.2 List of approved exceptions from the delegated limits shown above:
Invoices for Supplies and Services (excluding VAT)**

Description of Expenditure	Revised Limit	Signatory
Statutory Payments of Tax and National Insurance	Up to £10,000,000	Any two from the following list: Chief Finance Officer Deputy Director of Finance Head of Finance Department
Payments of contributions to the Pensions Agency	Up to £7,000,000	Any two from the list above
Authorisation to process the Payroll BACS file In a single month where pay arrears are included the limit is temporarily increased by:	Up to £20,000,000 Up to £1,000,000.	Any two of the following list: Chief Finance Officer Deputy Director of Finance Heads of Finance Department Deputy Financial Controller Payroll Manager Treasury Manager
Authorisation to Process Creditors BACS Payment File	Up to £5,000,000 Plus, value of items covered under this exception table (3.2) where applicable.	Any two of the following list: Chief Finance Officer Deputy Director of Finance Heads of Finance Department Deputy Financial Controller Payroll Manager Treasury Manager Values above this level must be authorised by CFO/Deputy CFO
General Practice Vocational Training Scheme (GPVTS) salary payments	Up to £3,000,000	Chief People Officer, Deputy CPO, Chief Finance Officer
Monthly service charge invoices from United Healthcare South Bucks or Enterprise Healthcare	Up to £4,000,000	Any two from the following list: Chief Executive Chief Operating Officer Chief Finance Officer Chief Commercial Officer
Monthly invoices payments to NHS Professionals / Patchwork (primary temporary staffing providers) re Agency & Bank Staff	Up to £8,000,000	Any two from the following list: Chief Finance Officer Deputy Director of Finance Head of Finance Department
Monthly materials management invoices payments to NHS Supply Chain	Up to £1,000,000	Any two from the following list: Chief Finance Officer Deputy Director of Finance Head of Finance Department
Monthly invoices for Clinical Negligence Scheme for Trusts premiums	Up to £1,250,000	Deputy Director of Finance, or two Heads of Finance Department
Monthly invoice payments to FedBucks (Urgent Care Provider)	Up to £600,000	Deputy Director of Finance, or two Heads of Finance Department
Monthly invoice payment to Practice Plus (Formerly Care UK)	Up to £500,000	Deputy Director of Finance, or two Heads of Finance Department
Monthly invoices to NHS Blood and Transplant and Abbott Laboratories contract	£250,000	Pathology Services Manager, Head of Diagnostics, Divisional Director
Monthly Utility invoices	Up to £100,000	Associate Director Property Services
Monthly Rates invoices	Up to £250,000	Associate Director Property Services

Monthly ambulance service / patient transport service invoices (subject to Board approval of the contract)	Up to £200,000	Associate Director of Property Services Executive Director
Monthly invoices to Oxford University Hospital re Pathology Testing Services	£200,000	Pathology Services Manager, Head of Diagnostics, Divisional Director Divisional Directors
Medical Staffing		

The above exceptions (3.2) can explicitly be taken as authority to raise annual orders for the related services / organisations without seeking additional Board approval. Annual values will be reported to the Board Through regular contract reporting.

Heads of Finance Departments are:

- Head of Financial Control
- Head of Costing
- Head of Financial Management
- Head of Contracts
- Head of Financial Systems

The Head of Procurement is not included above due to the requirement for the segregation of duties.

3.3 List of approved exceptions from the delegated limits shown above: Mandated Supplies		
Description of Expenditure	Revised Limit	Signatory
Blood Products	Up to £5,000,000	Any two from the following list: Director of Finance Deputy Director of Finance Head of Finance Department
CNST	Up to £3,000,000	Any two from the list above

Heads of Finance Departments are:

- Head of Financial Control
- Head of Costing
- Head of Financial Management
- Head of Contracts
- Head of Financial Systems

Authority to approve Waiver of Competitive Tender/Quotation and request to release unauthorised spend (subject to compliance with Procurement legislation) (request for approval form can be found in Annex 3)		
Board Approval	≥ £1,000,000	Items exceeding £1,000,000 must go to the Board for approval. In respect of any Leases or contracts, the value should be determined by the whole life value. Request form at annex 3. In each case a supporting paper setting out the reasons for the request should be produced and all requests should initially be sent to the Assistant Director of Finance (Financial Control).
Chief Executive	Up to £1,000,000	Items exceeding £1,000,000 must go to the Board for approval.
Director of Finance	Up to £100,000	

3.7 Authority to approve Capital expenditure (inc VAT)

Board Approval	≥ £1,000,000	The Board will approve the headline Capital Programme and total budget for the year. Amendments to the Programme require Board approval, even if the total budget remains unchanged. Business Cases and contracts for individual schemes within this budget that exceed this limit must go to the Board for approval. In respect of any Leases or contracts, the value should be determined by the whole life value.
Director of Finance	Up to £1,000,000	Business cases for schemes up to this value will be approved by CMG.

3.8 Authority to approve losses for write-off

All losses and special payments must go to the Audit Committee meetings for review. Annually a schedule of to the Board as part of the annual accounts process.

(a) Losses due to theft, fraud or arson

Trust Board	No Delegation	All losses and special payments involving theft, fraud or arson must go to the Board for approval.
-------------	---------------	--

(b) Bad Debts and Claims Abandoned Only

Board Approval	≥ £100,000	
Chief Executive and Chief Finance Officer	Up to £100,000	
Deputy Chief Finance Officer	Up to £50,000	
Head of Financial Control	Up to £10,000	

(c) Pay and Remuneration Special Payments

Remuneration Committee	Unlimited	Only the Remuneration Committee can approve pay and remuneration special payments outside of the employee's terms and conditions or statutory payments.
------------------------	-----------	---

(d) Approval of settlement of a claim through NHS Resolution

Board	≥ £5,000,000	Based on the advice of NHS Resolution and experts involved on the likelihood of the claim being successful.
Chief Executive	Up to £5,000,000	
Medical Director	Up to £1,000,000	For clinical negligence cases
Chief Commercial Officer	Up to £1,000,000	For estates related claims
Chief Finance Officer	Up to £1,000,000	For any other claims
Any other Executive Director	Up to £1,000,000	In the absence of the above where there is a time limit imposed on acceptance of the settlement.

(e) All other Losses – Non NHS

Board Approval	≥ £75,000	
Chief Finance Officer	Up to £25,000	

(f) All other Losses – NHS

--	--	--

3.8 Authority to approve losses for write-off		
Board	≥ £1,000,000	
Chief Executive	Up to £1,000,000	
Chief Finance Officer	Up to £750,000	
Head of Contracts	Up to £100,000	

3.9 Authority to dispose of surplus assets (limits based on anticipated sale proceeds, request form can be found in Annex 1).		
The process surrounding the actual disposal will be specific to the type of asset e.g. medical equipment and this is separately available.		
Board Approval	≥ £200,000	
Chief Executive	Up to £200,000	
Chief Finance Officer	Up to £100,000	
Deputy Director of Finance	Up to £40,000	

3.10 Authority to accept or expend Charitable Funds (subject to funds being available and compliance with Trust deed)		
Board of Trustees (Trust Board)	> £100,000	Items exceeding £100,000 must go to the Trustee (Board) for approval.
Charitable Funds Committee	Up to and including £100,000	
Chief Executive	Up to £50,000	Summary of items approved to be reported to Charitable Funds Committee.
Chief Finance Officer	Up to £50,000	Summary of items approved to be reported to Charitable Funds Committee.
Fund Manager	Up to £5,000	Summary of items approved to be reported to Charitable Funds Committee.

3.11 In-House Bids in respect of Competitive Tendering		
(see section 17.15 of Standing Financial Instructions)		
Board	≥ £100,000	
For services having a likely annual expenditure exceeding: - £0	Up To £100,000	A non - executive member should be a member of the evaluation team.

3.12 Changing Banking Arrangements (including setting up and closing Bank Accounts)		
The Board	All	All proposed change of Banking Arrangements must be authorised by the Trusts Board

3.13 Setting Up Commercial ventures (including Joint Ventures and Subsidiary Companies, Private Patients)		
All Business case	Any Value	A non-executive member should be a member of the evaluation team.
Board	Unlimited	Only the Board can establish a joint venture or commercial company

3.14 Authority to approve Income Contracts for Patient Related Activity		
Board	≥ £300,000,000	

3.14 Authority to approve Income Contracts for Patient Related Activity

Chief Executive	Up to £300,000,000	Annual Patient SLA Income Contract and invoices including In-Year variations.
-----------------	--------------------	---

4. Monitoring Arrangements

The entering into contracts or incurring expenditure by Trust staff and managers that does not follow this Policy will be treated as a disciplinary matter. For this reason, it is the responsibility of Trust managers to ensure that full records showing compliance with Standing Financial Instructions are retained. It is particularly important that the Trust's procurement activities are open and transparent. Full records should be kept on competitive quotations or tenders, reasons that contracts were awarded and/or any waiver of Standing Financial Instructions (see section 17). Before orders are approved copies of approved Waivers must be provided to the Procurement Department. If such records cannot be produced for senior management or audit it will be deemed that the correct procedures have not been followed.

E-procurement will be used to assign authorisation limits for orders. On set-up requests for limits other than those listed will be refused except where a specific exemption is listed in annex 4. Attempts to circumvent these limits by ordering outside the e-procurement process or by splitting orders into smaller parts will be taken extremely seriously and are likely to result in disciplinary action. Please note that limits are only applicable to approval of the orders. As the raising of a requisition does not commit the Trust to expenditure until that requisition is approved and converted to an official order, different limits will be set for requisitioners. The requisitions will be forwarded to others who have the appropriate approval levels for approval.

Any repeated instances of noncompliance from the same source will be initially referred to the originator's manager. This may lead to repeated non-compliance being treated as a disciplinary issue and followed up accordingly. In respect of those transactions covered by **annex 1**, they will be reported to the Trust Board as they arise. In respect of transactions covered by **annex 2**, they will be reported to the Trust Procurement Department and in respect of those transactions covered by **annex 3**, they will be reported as required to the Audit Committee.

Annex 2 – Asset Register: notification of change



ASSET REGISTER – NOTIFICATION OF CHANGE

You are required to use this form and notify change when:

1. You receive goods into your Department that have been purchased, donated or transferred with a value of £5000 or more (including VAT).
2. When you dispose of goods by any means.

Should you require further information please contact: the Procurement team.

From:	
Department:	
Location (Floor, Room and Hospital):	
The following goods have been PURCHASED / DONATED / TRANSFERRED in:	
Item:	
Make and Model:	
Serial No:	Finance Code: - - - - - - - -
Date of Purchase:	Purchase Order No:
Supplier:	Invoice No:
Cost £ (inclusive of VAT)	Maintenance contract arranged?
(This must be the exact invoiced value)	
GOODS REPLACED / TRANSFERRED OUT / DISPOSED:	
Asset No:	If transferred, new location:
Description:	
Date:	
Proceeds: £	Finance Code: - - - - - - - -

Manager's Signature **Date.....**

FILE ONE COPY & FORWARD ONE COPY TO:
Finance Department,
Amersham Hospital
Whielden Street
Amersham
HP7 0JD

For Finance Use Only

Initials	Entered on Register	Date
----------	---------------------	------

Annex 3 – Request for Waiver of Trust’s Standing Orders / Standing Financial Instructions / Request to release Unauthorised Spend

See Section 17 - 17.6.1.2

The newest waiver is available on the Trust’s intranet.

SECTION E – CODES OF ACCOUNTABILITY AND CONDUCT FOR NHS BOARDS

As published by the Department of Health and the Appointments Commission

CODE OF CONDUCT

Public Service Values General Principles

Openness and Public Responsibilities

Public Service Values in Management

Public Business and Private Gain

Hospitality and Other Expenditure

Relations with Suppliers

Staff Compliance

Appendix 1 – The Nolan Principles

CODE OF ACCOUNTABILITY

Status

Code of Conduct

Statutory Accountability

The Board of Directors

The Role of the Chair

Non-Executive Directors

Reporting and Controls

Declaration of Interests

Employee Relations

38. CODE OF CONDUCT FOR NHS BOARDS

Public service values must be at the heart of the National Health Service. High standards of corporate and personal conduct based on a recognition that patients come first, have been a requirement throughout the NHS since its inception. Moreover, since the NHS is publicly funded, it must be accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money.

There are three crucial public service values which must underpin the work of the health service.

- **Accountability** – everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- **Probity** – there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.
- **Openness** – there should be sufficient transparency about NHS activities to promote confidence between the NHS organisation and its staff, patients and the public.

General Principles

Public service values matter in the NHS and those who work in it have a duty to conduct NHS business with probity. They have a responsibility to respond to staff, patients and suppliers impartially, to achieve value for money from the public funds with which they are entrusted and to demonstrate high ethical standards of personal conduct.

The success of this Code depends on a vigorous and visible example from boards and the consequential influence on the behaviour of all those who work within the organisation. Boards have a clear responsibility for corporate standards of conduct and acceptance of the Code should inform and govern the decisions and conduct of all board directors.

Openness and Public Responsibilities

Health needs and patterns of provision of health care do not stand still. There should be a willingness to be open with the public, patients and with staff as the need for change emerges. It is a requirement that major changes are consulted upon before decisions are reached. Information supporting those decisions should be made available, in a way that is understandable, and positive responses should be given to reasonable requests for information and in accordance with the Freedom of Information Act 2000.

NHS business should be conducted in a way that is socially responsible. As a large employer in the local community, NHS organisations should forge an open and positive relationship with the local community and should work with staff and partners to set out a vision for the organisation in line with the expectations of patients and the public. NHS organisations should demonstrate to the public that they are concerned with the wider health of the population including the impact of the organisation's activities on the environment.

The confidentiality of personal and individual patient information must, of course, be respected at all times.

Public Service Values in Management

It is unacceptable for the board of any NHS organisation, or any individual within the organisation for which the board is responsible, to ignore public service values in achieving results. Chairs and board directors have a duty to ensure that public funds are properly safeguarded and that at all times the board conducts its business as efficiently and effectively as possible. Proper stewardship of public monies requires value for money to be high on the agenda of all NHS boards.

Accounting, tendering and employment practices within the NHS must reflect the highest professional standards. Public statements and reports issued by the board should be clear, comprehensive and balanced, and should fully represent the facts. Annual and other key reports should be issued in good time to all individuals and groups in the community who have a legitimate interest in health issues to allow full consideration by those wishing to attend public meetings on local health issues.

Public Business and Private Gain

Chairs and board directors should act impartially and should not be influenced by social or business relationships. No one should use their public position to further their private interests. Where there is a potential for private interests to be material and relevant to NHS business, the relevant interests should be declared and recorded in the board minutes and entered into a register which is available to the public. When a conflict of interest is established, the board director should withdraw and play no part in the relevant discussion or decision.

Hospitality and Other Expenditure

Board directors should set an example to their organisation in the use of public funds and the need for good value in incurring public expenditure. **The use of NHS monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered.** All expenditure on these items should be capable of justification as reasonable in the light of the general practice in the public sector. NHS boards should be aware that expenditure on hospitality or entertainment is the responsibility of management and is open to be challenged by the internal and external auditors and that ill-considered action can damage respect for the NHS in the eyes of the community.

Relations with Suppliers

NHS boards should have an explicit procedure for the declaration of hospitality and sponsorship offered by, for example, suppliers. Their authorisation should be carefully considered and the decision should be recorded. NHS boards should be aware of the risks in incurring obligations to suppliers at any stage of a contracting relationship. Suppliers should be selected on the basis of quality, suitability, reliability and value for money. The Department of Health has issued guidance to NHS organisations about standards of business conduct (ref: HSG(93)5).

Staff are advised not to comply with requests from suppliers regarding product or service endorsements.

Staff

NHS boards should ensure that staff have a proper and widely publicised procedure for voicing complaints or concerns about maladministration, malpractice, breaches of this code and other concerns of an ethical nature. The board must establish a climate:

- that enables staff who have concerns to raise these reasonably and responsibly with the right parties;
- that gives a clear commitment that staff concerns will be taken seriously and investigated; and
- where there is an unequivocal guarantee that staff who raise concerns responsibly and reasonably will be protected against victimisation.

(Ref: Whistleblowing in the NHS, letter dated 25 July 2003 from the Director of Organisational Development and People in the NHS)

Compliance

Board directors should satisfy themselves that the actions of the board and its directors in conducting board business fully reflect the values in this Code and, as far as is reasonably practicable, that concerns expressed by staff or others are fully investigated and acted upon. All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct.

39. CODE OF ACCOUNTABILITY FOR NHS BOARDS

This Code of Practice is the basis on which NHS organisations should seek to fulfil the duties and responsibilities conferred upon them by the Secretary of State for Health.

Status

NHS organisations, such as NHS Trusts, Integrated Care Boards are established under statute as corporate bodies so ensuring that they have separate legal personality. Statutes and regulations prescribe the structure, functions and responsibilities of the boards of these bodies and prescribe the way chairs and directors of boards are to be appointed.

Code of Conduct

All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct. Breaches of this Code of Conduct by the chair or a non-executive director of the board should be drawn to the attention of the appropriate Regional Commissioner of the NHS Appointments Commission.

NHS managers are required to take all reasonable steps to comply with the requirements set out in the Code of Conduct for NHS Managers. Chairs and non-executive directors of NHS boards are responsible for taking firm, prompt and fair disciplinary action against any executive director in breach of the Code of Conduct for NHS Managers.

Statutory Accountability

The Secretary of State for Health has statutory responsibility for the health of the population of England and uses statutory powers to delegate functions to NHS organisations who are thus accountable to the Secretary of State and to Parliament. The Department of Health is responsible for directing the NHS, ensuring national policies are implemented and for the effective stewardship of NHS resources.

NHS trusts provide services to patients (these may be acute services, ambulance services, mental health or other special services, e.g. for children). Other main functions are to:

- ensure services are of high quality and accessible;
- lead the development of new ways of working to fully engage patients and ensure a patient-centred service;

Integrated Care Boards are expected to identify the health needs of the population, to work to improve the health of the community and to secure the provision of a full range of services. Other main functions are to:

- maintain an effective public health function;
- lead local planning;
- manage and develop primary healthcare services;
- develop and improve local services;
- lead the integration of health and social care; and
- Deliver services within their remit.

NHS England provide strategic leadership to ensure the maintenance of provision and the delivery of improvements in local health and health services by primary care trusts and NHS Trusts and FTs, within the national framework of developing a patient-centred NHS and supported by effective controls and clinical governance systems. Other main functions for which NHS England is responsible are to:

- lead the development and empowerment of uniformly excellent frontline NHS organisations committed to innovation and improvement;
- consider the overall needs of the health economy across primary, community, secondary and tertiary care, and working with primary care trusts and NHS trusts to deliver a programme to meet these needs;
- performance manage and ensure accountability of local primary care trusts and NHS trusts;

- lead on the creation and development of clinical and public health networks;
- create capacity through the preparation and delivery of strategies for capital investment, information management and workforce development;
- ensure effective networks and joint working exists between NHS organisations for the provision of health and social care; and
- ensure the development and training of an adequate workforce of competent clinical personnel.

NHS Trust, Commissioners and NHS England are subject to external audit and, for the value for money element, by the Care Quality Commission.

NHS boards must co-operate fully with the Department of Health, External Audit and the Care Quality Commission when required to account for the use they have made of public funds, the delivery of patient care and other services, and compliance with statutes, directions, guidance and policies of the Secretary of State. The Chief Executive/ Permanent Secretary of the Department of Health, as Accounting Officer for the NHS, is accountable to Parliament. The work of the Department of Health and its associated bodies is examined by the House of Commons Health Committee. Its remit is to examine the expenditure, administration and policy of the Department of Health. Two other Parliamentary Committees, the Public Accounts Committee and the Public Administration Select Committee, scrutinise the work of the Department of Health and the health service.

The Board of Directors

NHS boards comprise executive directors together with non-executive directors and a chair who are appointed by the NHS England on behalf of the Secretary of State. Together they share corporate responsibility for all decisions of the board. There is a clear division of responsibility between the chair and the chief executive; the chair's role and board functions are set out below; the chief executive is directly accountable to the board for meeting their objectives, and as Accountable Officer, to the Chief Executive of the NHS for the performance of the organisation. Boards are required to meet regularly and to retain full and effective control over the organisation; the chair and non-executive directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of these responsibilities. NHS England generally provide the line of accountability from local NHS organisations to the Secretary of State for the performance of the organisation the NHSI will always be available to chairs and non-executive directors on matters of concern to them relating to the personal effectiveness of individual chairs and non-executives.

The duty of an NHS board is to add value to the organisation, enabling it to deliver healthcare and health improvement within the law and without causing harm. It does this by providing a framework of good governance within which the organisation can thrive and grow. Good governance is not restrictive but an enabling ingredient to underpin change and modernisation.

The role of an NHS board is to:

- be collectively responsible for adding value to the organisation, for promoting the success of the organisation by directing and supervising the organisation's affairs
- provide active leadership of the organisation within a framework of prudent and effective controls which enable risk to be assessed and managed
- set the organisation's strategic aims, ensure that the necessary financial and human resources are in place for the organisation to meet its objectives, and review management performance
- set the organisation's values and standards and ensure that its obligations to patients, the local community and the Secretary of State are understood and met.

The Role of the Chair

The overall role of the chair is one of enabling and leading so that the attributes and specific roles of the executive team and the non-executives are brought together in a constructive partnership to take forward the business of the organisation.

The key responsibilities of the chair are:

- leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda;
- ensuring the provision of accurate, timely and clear information to directors;
- ensuring effective communication with staff, patients and the public;
- arranging the regular evaluation of the performance of the board, its committees and individual directors; and
- facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.

A complementary relationship between the chair and chief executive is important. The chief executive is accountable to the chair and non-executive directors of the board for ensuring that the board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and properly controlled executive action. The chief executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the board. Non-executive directors are appointed by NHS England on behalf of the Secretary of State to bring an independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.

The duties of non-executive directors are to:

- constructively challenge and contribute to the development of strategy;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
- determine appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary, removing senior management and in succession planning; and
- ensure the board acts in the best interests of the public and is fully accountable to the public for the services provided by the organisation and the public funds it uses.

Non-executive directors also have a key role in a small number of permanent board committees such as the Audit Committee, Remuneration Committee, Quality and Clinical Governance Committee and Finance and Business Performance Committee.

Reporting and Controls

It is the board's duty to present through the timely publication of an annual report, annual accounts and other means, a balanced and readily understood assessment of the organisation's performance to:

- the Department of Health, on behalf of the Secretary of State
- the Audit Commission and its appointed auditors, and
- the local community.

Detailed financial guidance, including the role of internal and external auditors, issued by the Department of Health must be observed. (Ref: the *NHS Finance Manual* at www.info.doh.gov.uk/doh/finman). The Standing Orders of boards should prescribe the terms on which committees and sub-committees of the board may be delegated functions, and should include the schedule of decisions reserved for the board.

Declaration of Interests

It is a requirement that chairs, and all board directors should declare any conflict of interest that arises in the course of conducting NHS business. All NHS organisations maintain a register of member's interests to avoid any danger of board directors being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties. All board members are

therefore expected to declare any personal or business interest which may influence, or may be *perceived* to influence, their judgement. This should include, as a minimum, personal direct and indirect financial interests, and should normally also include such interests of close family members. Indirect financial interests arise from connections with bodies which have a direct financial interest, or from being a business partner of, or being employed by, a person with such an interest.

Employee Relations

NHS boards must comply with legislation and guidance from the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money. Fair and open competition should be the basis for appointment to posts in the NHS.

The terms and conditions agreed by the board for senior staff should take full account of the need to obtain maximum value for money for the funds available for patient care. The board should ensure through the appointment of a remuneration and terms of service committee that executive board directors' remuneration can be justified as reasonable. Board directors' remuneration for the NHS organisation should be published in its annual report.

For more information see The Healthy NHS Board; Principles for Good Governance [NHSLeadership-TheHealthyNHSBoard.pdf \(leadershipacademy.nhs.uk\)](#)

SECTION E APPENDIX 1

The Trust places high importance on appropriate accountability and openness in its working practices and endorses the recommended seven principles of conduct that underpin the work of public authorities

NOLAN PRINCIPLES – SEVEN PRINCIPLES OF PUBLIC LIFE

'Seven Principles of Public Life' which should apply to all in the public service are:

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in

order to gain financial or other benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

In addition to this, members of NHS boards and governing bodies in England are expected to adhere to the New standards for NHS leaders. They put respect, compassion and care for patients at the centre of leadership and good governance. These standards are published by the Professional Authority for Health and Social Care. [clinical-leadership-framework.pdf \(england.nhs.uk\)](#)

Annex 4 Equality Impact Assessment

To be completed.