

Board of Directors Meeting: Thursday 29 January 2009

BD2009.11

Subject	Standing Orders and Standing Financial Instructions			
Purpose of paper	To present the updated SOs and SFIs following their annual review in line with good practice			
Board Lead(s)	Mr Chris Hurst, Director of Finance and Procurement Mrs Elaine Strachan-Hall, Director of Nursing and Clinical Leadership			
Background papers (if any)	Monitor Code of Governance; DH's Model Standing Orders and SFIs, DH Integrated Governance Handbook			
Action/decision required	The Board is asked to approve the revised SOs and SFIs endorsed by the Audit Committee.			
Key purpose	Strategy	<u>Assurance</u>	<u>Policy</u>	Performance
Strategic Goal(s)	All			
Strategic Objective(s)	All and specifically SO10. To become a strategic, high performing and agile organisation supported by efficient and patient focused clinical processes, modern systems and business processes			
Links to Board Assurance Framework/ Trust Key Risks/Annual Health Check element(s)	S4BH: C7ac - good corporate and clinical governance in place ALE - Internal control domain			
Also considered by	Not applicable			
Resource and financial impact	Not applicable			
Consideration of legal/equality/diversity/engagement issues	Not applicable			
Acronyms and abbreviations used	SOs - standing orders; SFIs - standing financial instructions; S4BH - standards for better health; ALE - Auditor's Local Evaluation;			
Author	Mr Jerry Park, Board Secretary			

Standing Orders and Standing Financial Instructions

Introduction

1. In line with good practice, the Standing Orders (SOs) and Standing Financial Instructions (SFIs) are reviewed each year by the Board. As part of the preparation for Foundation Trust status, the opportunity has been taken to review good practice, to take account of Monitor's Code of Governance and to frame the SOs so that they can be used as the basis for the Board of Directors' Standing Orders to be annexed to constitution that will be submitted to Monitor for its approval in due course.
2. **In the following documents changes have been highlighted by a side bar.** It should be noted that no changes of any particular significance are being proposed to the SFIs apart from the inclusion of the Budgetary Rules updated for 2008/09 and that the sections referring to banking, investments and borrowing, have been amended to show that the Trust will implement a treasury policy in line with current guidance from Monitor and the DH. The 08/09 Budgetary rules include the indicative delegated limits for non-pay expenditure.
3. The SOs on membership (SOs 14 and 15) have not been amended at this point to take account of the pending appointments of additional executive directors (Chief Operating Officer) or additional non-executive directors (designate). Standing Orders will be amended to take this into account once the appointments have been made.
4. Particular attention has been paid to the Committees of the Board in terms of their outline terms of reference and key responsibilities, the membership of committees and other elements of delegation. These changes reflect those agreed by the Board at its May 2008 meeting following the review by the Audit Commission. Further work is being done on the detailed terms of reference for all the Board's Committees as part of the combined action plan now in place. This brings together a number of actions plans, e.g. HDD, Audit Commission Review, ALE etc.
5. The outline terms of reference for the Audit Committee are modelled on those recommended for Foundation Trusts, although elements are also covered by the terms of reference for the Governance Committee.
6. It is proposed that the Board consider membership of these committees, noting in particular that both the Audit and Governance Committees need additional members.
7. An additional committee has been proposed: it is proposed that the Board establish an Investment Committee to comprise both non-executive and executive members and with the power to invite members to serve from outside the organisation, should the required skills not be represented on the Board.
8. Key duties for the Committee would include development, agreement and monitoring of investment policy and decisions and the consideration and agreement

of investments presented from service areas of the organisation. It is proposed that clinical representatives be invited to attend these meetings.

9. The Trust has adopted the Codes of Conduct and Accountability as required and individual Board members confirm their adoption of these Codes each year.

Recommendation

10. The Board is asked to consider the attached SOs and SFIs and:
 - 10.1. to consider in particular the establishment of an Investment Committee of the Board; and
 - 10.2. to approve the SOs and SFIs and to recommend their adoption by the Trust Board.

STANDING ORDERS, RESERVATION AND DELEGATION of POWERS

January 2009

Interpretation and definitions

Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which he should be advised by the Chief Executive or Secretary to the Board).

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

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.

Trust means the Oxford Radcliffe Hospitals NHS Trust

Board means the Chairman, officer (executive) and non-officer (non-executive) members of the Trust collectively as a body.

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.

Budget holder means the director of employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

Chairman 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 Chairman of the Trust” shall be deemed to include the Vice Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.

Chief Executive means the chief officer of the Trust.

Governance Committee means a committee whose functions are concerned with the arrangements for assuring the quality of healthcare for which the Oxford Radcliffe Hospitals NHS Trust has responsibility.

Commissioning means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

Committee means a committee or sub-committee created and appointed by the Trust.

Committee members means persons formally appointed by the Board to sit on or to chair specific committees.

Contracting and procuring means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

Director of Finance and Procurement means the Chief Financial Officer of the Trust.

Member means officer or non-officer member of the Board as the context permits. Member in relation to the Board does not include its Chairman.

Membership, Procedure and Administration Arrangements Regulations means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.

Nominated officer means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

Non-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. (also known as non-executive)

Officer means employee of the Trust or any other person holding a paid appointment or office with the Trust.

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 Chairman of the Trust or any person nominated by such a Committee for appointment as a Trust member).

Secretary means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.

SFIs means Standing Financial Instructions.

SOs means Standing Orders.

Vice Chairman means the non-officer member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.

Standing orders

Statutory Framework

1. The Oxford Radcliffe Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 1 April 1994 under No. 2544 National Health Service Trust (Establishment) Order 1993 (the Establishment Order) as the Churchill John Radcliffe Hospital NHS Trust. The change in name to the Oxford Radcliffe Hospital NHS Trust was executed in No 482 The Churchill John Radcliffe National Health Service Trust (Change of Name) Order 1994. The change of name to the Oxford Radcliffe Hospitals NHS Trust was executed in May 1998, following merger with the Horton General Hospital NHS Trust.
2. The principal place of business of the Trust is the John Radcliffe Hospital, Headley Way, Headington, Oxford. The Trust's other sites are the Churchill Hospital in Oxford and the Horton General Hospital, Banbury.
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 and the Health Act 1999.
4. The functions of the Trust are conferred by this legislation.
5. The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 1999, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
6. The Trust has adopted the Codes of Conduct and Accountability as required and individual Board members confirm their adoption of these Codes each year.
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.
8. The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

NHS Framework

9. 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.
10. 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 Code of Conduct makes various requirements concerning possible conflicts of interest of Board members.
11. The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS. In addition, the ORH has in place a publication

scheme in response to the Freedom of Information Act and has systems in place to respond to requests made under FOI.

Delegation of Powers

12. 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 101 to 111) 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 86 to 100, 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 document (Reservation of Powers to the Board and Delegation of Powers). (See Section 1.8 and Appendix 2 of the Corporate Governance Framework Manual.) This document has effect as if incorporated into the Standing Orders. Delegated Powers are covered in a separate document entitled - '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.

Integrated Governance

13. Trust Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health on the move toward and implementation of integrated governance has been issued and will be incorporated in the Trust's Governance, Quality and Risk Strategy (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

The Trust Board: composition of membership, tenure and role of members

Composition of the Membership of the Trust Board

14. In accordance with the Membership, Procedure and Administration Arrangements regulations the composition of the Board¹ shall be:
 - 14.1. The Chairman of the Trust (appointed by the NHS Appointments Commission);
 - 14.2. Up to 6 non-officer members (appointed by the NHS Appointments Commission); (Note: the ORH has an additional non-officer member by virtue of its size - SI 2000 No 961 refers)
 - 14.3. Up to 5 officer members (but not exceeding the number of non-officer members) including:
 - 14.3.1. the Chief Executive
 - 14.3.2. the Director of Finance and Procurement
 - 14.3.3. the Medical Director

¹ Membership of the Board shall change once authorised as FT.

14.3.4. the Director of Nursing and Clinical Leadership

14.3.5. the Director of Planning and Information

15. The Trust shall have not more than 12 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.
16. The Trust may appoint associate/designate members from time to time².

Appointment of Chairman and Members of the Trust

17. Appointment of the Chairman and Members of the Trust - Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 1999, provides that the Chairman is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chairman and members are set out in the Membership, Procedure and Administration Arrangements Regulations.

Terms of Office of the Chairman and Members

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

Appointment and Powers of Vice Chairman

19. Subject to Standing Order 20 below, the Chairman and members of the Trust may appoint one of their numbers, who is not also an officer member, to be Vice Chairman, for such period, not exceeding the remainder of his term as a member of the Trust, as they may specify on appointing him.
20. Any member so appointed may at any time resign from the office of Vice Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Vice Chairman in accordance with the provisions of Standing Order 19.
21. Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Vice Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Vice Chairman.

Role of Members

22. The Board will function as a corporate decision-making body, Officer and Non-Officer 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. All directors have responsibility to challenge the decisions of the Board constructively, and help develop proposals on strategy.

² DH Model SOs provide this definition "Associate Member" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.

23. Non-executive members have a particular duty to ensure such challenge is made; they should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information, and that financial and clinical quality and controls and systems of risk management are robust and defensible.

Executive Members

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

Chief Executive

25. The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He 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.

Director of Finance and Procurement

26. The Director of Finance and Procurement and Procurement 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 Instructions.

Non-executive Members

27. 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.

Chairman

28. The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment and with these Standing Orders.
29. The Chairman shall liaise with the NHS Appointments Commission 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.
30. The Chairman 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.
31. In the absence of the Chairman and the Vice Chairman at any meeting, the board may appoint a non officer member to chair that meeting.

Corporate role of the Board

32. All business shall be conducted in the name of the Trust.
33. The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in these Standing Orders.
34. The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

Schedule of Matters reserved to the Board and Scheme of Delegation

35. 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.

Lead Roles for Board Members

36. The Chairman 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.).

Meetings of the Trust

Calling meetings

37. The Board shall meet sufficiently regularly to discharge its duties effectively. It is anticipated that the Board will meet in public and in private throughout the year.
38. Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
39. The Chairman of the Trust may call a meeting of the Board at any time.
40. Four members of the Board may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

Notice of Meetings and the Business to be transacted

41. Before each meeting of the Board, a written notice specifying the business proposed to be transacted shall be delivered to every member, or sent by post to the usual place of residence of each member, so as to be available to members at least five clear days before the meeting. The notice shall be signed by the Chairman or by an officer authorised by the Chairman to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
42. 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 five clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).
43. In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
44. No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 50.

45. A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman 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 Chairman.

Agenda and Supporting Papers

46. The Agenda will be sent to members at least five days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency.

Petitions

47. Where a petition has been received by the Trust, the Chairman shall include the petition as an item for the agenda of the next meeting.

Notice of Motion

48. Subject to the provision of Standing Orders 51 to 55 'Motions: Procedure at and during a meeting' and 56 and 57 'Motions 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 Chairman.
49. The notice shall be delivered at least ten 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.

Emergency Motions

50. Subject to the agreement of the Chairman, and subject also to the provision of Standing Order 51 to 55 '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 Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.

Motions: Procedure at and during a meeting

51. Who may propose
- 51.1. A motion may be proposed by the Chairman of the meeting or any member present. It must also be seconded by another member.
52. Contents of motions
- 52.1. The Chairman 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:
- 52.1.1. the reception of a report;

- 52.1.2. consideration of any item of business before the Trust Board;
 - 52.1.3. the accuracy of minutes;
 - 52.1.4. that the Board proceed to next business;
 - 52.1.5. that the Board adjourn;
 - 52.1.6. that the question be now put.
53. Amendments to motions
- 53.1. A motion for amendment shall not be discussed unless it has been proposed and seconded.
 - 53.2. Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.
 - 53.3. 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.
54. Rights of reply to motions
- 54.1. Amendments
 - 54.1.1. 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.
 - 54.2. Substantive/original motion
 - 54.2.1. The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.
 - 54.3. Withdrawing a motion
 - 54.3.1. A motion, or an amendment to a motion, may be withdrawn.
55. Motions once under debate
- 55.1. When a motion is under debate, no motion may be moved other than:
 - 55.1.1. an amendment to the motion;
 - 55.1.2. the adjournment of the discussion, or the meeting;
 - 55.1.3. that the meeting proceed to the next business;
 - 55.1.4. that the question should be now put;
 - 55.1.5. the appointment of an 'ad hoc' committee to deal with a specific item of business;
 - 55.1.6. that a member/director be not further heard;
 - 55.1.7. a motion under Section 1(2) or Section 1 (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Orders 80 to 85).
 - 55.2. 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.

- 55.3. If a motion to proceed to the next business or that the question be now put, is carried, the Chairman 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.

Motion to Rescind a Resolution

56. 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 Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.
57. When any such motion has been dealt with by the Trust Board it shall not be competent for any director/member other than the Chairman 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.

Chairman of meeting

58. The Chairman, if present, shall preside at any meeting of the Trust Board. If the Chairman is absent from the meeting, the Vice Chairman (if the Board has appointed one), if present, shall preside.
59. If the Chairman and Vice Chairman are absent, such member (who is not also an Officer Member of the Trust) as the members present shall choose shall preside.

Chairman's ruling

60. The decision of the Chairman 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.

Quorum

61. Business shall not be transacted at a meeting unless at least one-third of the whole number (i.e. four members) of Board members (including at least one member who is an Officer Member of the Trust and one member who is not) is present.
62. An Officer in attendance for an Executive Director (Officer Member) but without formal acting up status may not count towards the quorum.
63. If the Chairman 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 SO 116 to 131) 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.

Voting

64. Save as provided in Standing Orders 71 to 75 - Suspension of Standing Orders and 76 - 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 Chairman of the meeting shall have a second, and casting vote.
65. At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
66. 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).
67. If a member so requests, their vote shall be recorded by name.
68. In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
69. A manager who has been formally appointed to act up for an Officer Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.
70. A manager attending the Trust Board meeting to represent an Officer Member during a period of 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.

Suspension of Standing Orders

71. Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum Standing Orders 61 to 63, 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.
72. A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and members of the Trust.
73. No formal business may be transacted while Standing Orders are suspended.
74. The Audit Committee shall review every decision to suspend Standing Orders.
75. The Trust Board shall receive a report each year on all or any suspensions of Standing Orders, including a report that NO suspensions took place during the relevant year.

Variation and amendment of Standing Orders

76. These Standing Orders shall not be varied except in the following circumstances:
 - 76.1. upon a notice of motion under Standing Order 48 and 49;

- 76.2. upon a recommendation of the Chairman or Chief Executive included on the agenda for the meeting;
- 76.3. 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;
- 76.4. providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

Record of Attendance

77. The names of the Chairman and Directors/members present at the meeting shall be recorded.

Minutes

78. 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 signed by the person presiding at it.
79. No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate.

Admission of public and the press

80. Admission and exclusion on grounds of confidentiality of business to be transacted
 - 80.1. The public and representatives of the press may attend all meetings of the Trust designated as public meetings, but shall be required to withdraw upon the Trust Board as follows:
 - 80.1.1. '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
 - 80.1.2. Guidance should be sought from the Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.

General disturbances

81. The Chairman (or Vice Chairman) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for public 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 Trust Board resolving as follows:
 - 81.1. 'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public'. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

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

82. Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in (i) and (ii) above, shall be confidential to the members of the Board. The same provision shall apply at any meeting of the Board held in private.
83. 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.

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

84. 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.

Observers at Trust meetings

85. 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 public or private meetings and may change, alter or vary these terms and conditions as it deems fit.

Appointment of committees and sub-committees**Appointment of Committees**

86. Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust. The Trust Board 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.

Applicability of Standing Orders and Standing Financial Instructions to Committees

87. 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 "Chairman" is to be read as a reference to the Chairman 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 but minutes of such meetings would normally be presented at a public meeting of the Trust Board.)

Terms of Reference

88. 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.

Delegation of powers by Committees to Sub-Committees

89. 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.

Approval of Appointments to Committees

90. The Trust 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.

Appointments for Statutory functions

91. 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.

Committees established by the Trust Board

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

92.1. Audit Committee

- 92.1.1. The Audit Committee has been established in line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and more recently, the Monitor Code of Governance and Monitor's Audit Code for FTs.
- 92.1.2. The Audit Committee is constituted to provide the Trust Board with an independent and objective review on its financial and risk systems, financial information and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference have been approved by the Trust Board and will be reviewed on a periodic basis. It will work closely with the Governance Committee on relevant matters to develop the integrated governance approach, including assurance on systems for risk and safety and will do this through a number of mechanisms including common membership.
- 92.1.3. The Board has followed the recommendations of the Monitor Code of Governance that the Audit Committee should consist of at least three non-executive directors. Both the Chairman and a NED member have significant and relevant financial knowledge and experience.
- 92.1.4. The Board has agreed that a fourth non-executive member be appointed to serve on the Audit Committee.
- 92.1.5. The Chairman of the Board shall not be member of the Audit Committee.

92.1.6. The minutes of the Audit Committee shall be presented to a public Trust Board by its Chairman.

92.2. Remuneration and Appointments Committee (R&A)

92.2.1. A Remuneration and Appointments Committee has been established in line with in accordance with good practice and with the requirements of NHS Codes and, more recently, the Monitor Code of Governance.

92.2.2. The committee is comprised exclusively of non-executive directors. It is chaired by the Chairman of the Board. The Chief Executive may be asked to attend meetings (or part of meetings) at which the appointment, remuneration and terms of service of Executive Directors (other than the Chief Executive) are under consideration.

92.2.3. The purpose of the Committee is to advise the Trust Board about appropriate remuneration and terms of service for the Chief Executive and the Executive Directors, comprising all aspects of salary (including any performance-related elements/bonuses); provisions for other benefits, including pensions and cars; and the arrangements for termination of employment and other contractual terms.

92.2.4 The minutes of the R & A Committee shall be presented to a public Trust Board by its Chairman.

Other Committees

93. The **Governance Committee** is established to provide assurance to the Board in relation to a broad range of governance issues including quality and risk, clinical governance, HR governance, corporate governance, information governance and research governance. It is a non-executive committee, with at least three, and ideally four, non-executive members, and executive directors, including the Medical Director, the Director of Nursing and the Director of HR in attendance. It will, inter alia;

93.1. monitor and review the Board Assurance Framework (reporting to the Trust Board), and ensure its presentation to the Trust Board at appropriate times of the year (but at least twice a year). It will also oversee the preparation of the Declaration of Compliance with Core Standards as part of the Annual Health Check.

93.2. will consider such matters at each meeting as are necessary to provide assurance that the correct systems, policies and procedures are in place to ensure continued quality of services and the safety of patients, visitors and staff.

93.3. will have cross-membership with the Audit Committee to ensure development of integrated governance.

94. The Governance Committee may establish any sub-committees that may be necessary to assure itself on particular aspects of governance, quality, safety and risk.

95. Its minutes will be presented at a public meeting of the Board by its chairman.

96. The **Finance and Performance Committee (F&PC)** is chaired by the Trust Chairman and consists of non-executive directors, the Chief Executive, the Director of Finance

and the Director of Planning and Information. Other executive directors and officers may be invited to attend. It will:

96.1. keep under review the performance of the Trust in relation to clinical activity, finance and other key areas including cost improvements. It will also have oversight of planning for future performance.

96.2. The Committee will also consider, from time to time, the Trust's position in relation to the NHS Annual Health Check.

97. The minutes of the committee will be presented at public meetings of the Board by its Chairman.

98. The **Investment Committee** shall lead on the development of investment policy and practice. The Committee shall be chaired by a non-executive director, but its membership shall be drawn from both executive and non-executive members of the Board. It shall have the power to appoint members from outside the Board should additional skills, knowledge and experience be required.

99. Its duties may include the following:³

99.1. To approve and keep under review, on behalf of the Trust Board, the Trust's investment strategy and policy.

99.2. To maintain an oversight of the Trust's investments, ensuring compliance with the Trust's policy and Monitor's requirements.

99.3. To approve any innovative, commercial or investment activity, e.g. proposed start up companies or joint ventures.

³ Additional work to be done to develop and finalise these terms of reference

Arrangements for the exercise of trust functions by delegation

Delegation of Functions to Committees, Officers or other bodies

100. 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 Orders 86 to 99, or by an officer of the Trust, or by another body as defined in Standing Order 101 below, in each case subject to such restrictions and conditions as the Trust thinks fit.
101. Section 16B of the NHS Act 1977 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:
 - 101.1. by another Trust;
 - 101.2. jointly with any one or more of the following: NHS trusts, Strategic Health Authorities or PCTs;
 - 101.3. by arrangement with the appropriate Trust or PCT, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
 - 101.4. in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more Strategic Health Authorities, SHAs, NHS Trusts or PCT.
102. 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.

Emergency Powers and urgent decisions

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

Delegation to Committees

104. 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.
105. 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.

Delegation to Officers

106. 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.
107. 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.
108. Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance and Procurement to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements, the roles of the Director of Finance and Procurement shall be accountable to the Chief Executive for operational matters.

Schedule of Matters Reserved to the Trust and Scheme of Delegation of Powers

109. 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.

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

110. 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 Board for action or ratification. All members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

Overlap with other trust policy statements/procedures, regulations and the Standing Financial Instructions

Policy statements: general principles

111. The Trust Board will from time to time agree and approve policy statements/procedures which will apply to all or specific groups of staff employed by the Oxford Radcliffe Hospitals NHS Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions. A list of policies and procedures will be maintained and reviewed annually.

Specific Policy statements

112. Notwithstanding the application of SO 107 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following policy statements, both of which shall have effect as if incorporated in these Standing Orders:

112.1. the Standards of Business Conduct and Conflicts of Interest Policy for the staff of the Oxford Radcliffe Hospitals NHS Trust;

112.2. the Performance and Conduct Procedures adopted by the Trust.

Standing Financial Instructions

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

Specific guidance

114. Notwithstanding the application of SO 107 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

114.1. Caldicott Guardian 1997;

114.2. Human Rights Act 1998;

114.3. Freedom of Information Act 2000.

Duties and obligations of board members/directors and senior managers under these Standing Orders

Declaration of Interests

Requirements for Declaring Interests and applicability to Board Members

115. The NHS Code of Accountability requires each Trust Board Member to declare interests which are relevant and material to the NHS Board. All Board members shall declare such interests annually and as arising.

Interests which are relevant and material

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

116.1. Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);

116.2. Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;

116.3. Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;

116.4. A position of Authority in a charity or voluntary organisation in the field of health and social care;

116.5. Any connection with a voluntary or other organisation contracting for NHS services;

116.6. Research funding/grants that may be received by an individual or their department;

116.7. Interests in pooled funds that are under separate management.

117. Any member of the Trust 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 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.

Advice on Interests

118. If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Trust's Secretary.

119. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that 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.

Recording of Interests in Trust Board minutes

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

Publication of declared interests in Annual Report

121. 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.

Conflicts of interest which arise during the course of a meeting

122. During the course of a Trust Board meeting or a meeting of one of the Board's sub committees, if a conflict of interest is established, the Board member concerned should state the interest and withdraw from the meeting and play no part in the relevant discussion or decision.

Register of Interests

123. 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 107) which have been declared by both executive and non-executive Trust Board members. 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.

124. 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.

Exclusion of Chairman and Members in proceedings on account of pecuniary interest**Definition of terms used in interpreting 'Pecuniary' interest**

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

125.1. "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);

125.2. "contract" shall include any proposed contract or other course of dealing.

125.3. "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:-

125.3.1. 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

125.3.2. 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.

125.4. Exception to Pecuniary interests - a person shall not be regarded as having a pecuniary interest in any contract if:-

125.4.1. 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

125.4.2. 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

125.4.3. 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.

125.5. Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 115.

Exclusion in proceedings of the Trust Board

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

127. 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 132 on the 'Waiver' which has been approved by the Secretary of State for Health).

128. The Trust Board may exclude the Chairman 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.

129. Any remuneration, compensation or allowance payable to the Chairman 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.

130. 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.

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

Power of the Secretary of State to make waivers

131. 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 chairman 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 below.

Definition of 'Chairman' for the purpose of interpreting this waiver

132. For the purposes of paragraph 135.2.2 (below), the "relevant chairman" is –
- 132.1. at a meeting of the Trust, the Chairman of that Trust;
 - 132.2. at a meeting of a Committee –
 - 132.2.1. in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
 - 132.2.2. in the case of any other member, the Chairman of that Committee.

Application of waiver

133. 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:
- 133.1. A member of the Oxford Radcliffe Hospitals 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
 - 133.1.1. services under the National Health Service Act 1977; or
 - 133.1.2. services in connection with a pilot scheme under the National Health Service Act 1997;
 - 133.1.3. for the benefit of persons for whom the Trust is responsible.
 - 133.2. Where the 'pecuniary interest' of the member in the matter which is the subject of consideration at a meeting at which he is present:-
 - 133.2.1. 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;
 - 133.2.2. has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
 - 133.2.3. are members of the same profession as the member in question,
 - 133.2.4. 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.
134. Conditions which apply to the waiver and the removal of having a pecuniary interest. The removal is subject to the following conditions:
- 134.1. 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;
 - 134.2. the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 132 above, except where that member is the Chief Executive;

135. in the case of a meeting of the Trust:
- 135.1. the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - 135.2. may not vote on any question with respect to it.
136. in the case of a meeting of the Committee:
- 136.1. the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - 136.2. may vote on any question with respect to it; but
 - 136.3. the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

Standards of Business Conduct

Trust Policy and National Guidance

137. All Trust staff and members of must comply with the Trust's Standards of Business Conduct and Conflicts of Interest Policy and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' (see SO 112).
138. All Trust staff should make declarations of interests as described above for Board members. The declarations shall be included within the public register. Advice on interests can be sought as described above.

Interest of Officers in Contracts

139. 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 SOs 121 to 126) 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 Trust's Secretary as soon as practicable.
140. 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.
141. The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

Canvassing of and Recommendations by Members in Relation to Appointments

142. 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.
143. 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.

Relatives of Members or Officers

144. 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 liable to instant dismissal.
145. The Chairman and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
146. 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.
147. Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and members in proceedings on account of pecuniary interest' (SOs 127 to 131) shall apply.

Custody of seal, sealing of documents and signature of documents

Custody of Seal

148. The common seal of the Trust shall be kept by the Chief Executive or his nominated Manager in a secure place.

Sealing of Documents

149. All Sealings and Signings shall normally be undertaken by the Chairman and the Chief Executive. The Chairman can delegate this responsibility to any non Executive Director and the Chief Executive can delegate this responsibility to any Executive Director. In the case of documents requiring **ONLY** signing, e.g. standard short term tenancy agreements, Tenancies at Will, the signatures of two Executive Directors are required only.

150. Where the Trust decides that a document shall be sealed, the seal shall be affixed in the presence of the Chairman (or other authorised Director of the Trust) and of the Chief Executive or Finance Director or other officer deputising for the Chief Executive, and it shall be duly attested by them. The Board Secretary shall arrange for sealings to take place. An appropriate form of attestation of documents by Trust would be:

151. "The Common Seal of the Oxford Radcliffe Hospitals NHS Trust was hereunto affixed in the presence of"

Register of Sealing

152. An entry of every sealing and signing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealings and signings shall be made to the Trust at least quarterly. (The report shall contain details of the seal/signing number, the description of the document and date of sealing/signing).

153. The Register will also include those agreements with third parties entered into by the Trust, e.g. agreements with commercial organisations.

Signature of documents

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

155. 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).

Reports to the Board

156. A report shall be made to all public Board meetings of sealings and/or signings enacted since the previous Board meeting.

Miscellaneous (see overlap with SFI No 169)**Joint Finance Arrangements**

157. 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 No. 169.

Working with others

158. Although the ORH NHS Trust is not currently party to any formal partnership arrangements (as set down in HSC 2000/010) it does work in partnership and collaboratively with a number of organisations and bodies, including:

158.1. Oxford University and Oxford Brookes University

158.2. Oxfordshire PCT and other commissioning PCTs

158.3. The Directorate of Social & Health Care of Oxfordshire County Council

158.4. other NHS Trusts

159. The collaborations with the above bodies cover such areas as teaching, education and research; participation in work that impacts across the whole of the healthcare and social care community; for example in discharge planning, in emergency planning and in the management of 'winter pressures'. For a number of these areas, which tend to cover operational activities, formal committees have been established and a member of the ORH's Executive Team has been designated as the lead. The Trust Board will receive reports as appropriate and the Board sub committee may also receive updates; for example, the Audit Committee is involved in the review of arrangements for handling delayed discharges and the Governance Committee has as a standing item research governance which covers both policies and the governance of agreements in place between the ORH, the University and other 'partners'.

160. A Strategic Partnership Board has been established between the ORH and Oxford University with the following purpose; to

160.1. Provide a forum to support and direct strategic co-operation and alignment between the Trust and the University, in order to maximise opportunities for the development of clinical practice, teaching and research by the two organizations acting in concert.

160.2. Maintain an oversight of all research and development activity (including the Oxford Biomedical Research Centre) sponsored by the partners, and oversee the work of the Steering Committee of the Biomedical Research Centre. This will include approval of resource and financial allocations by the Centre.

- 160.3. Maintain an oversight of senior clinical and academic appointments to the Trust and the Medical Sciences Division of the University, to ensure congruence with the strategic plans of the partnership.

Scheme of reservation and delegation

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	The Board	<p>General Enabling Provision</p> <p>1. 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> <p>2. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</p> <p>3. Suspend Standing Orders.</p> <p>4. Vary or amend the Standing Orders.</p> <p>5. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 104.</p> <p>6. Approve a scheme of delegation of powers from the Board to committees.</p> <p>7. 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.</p> <p>8. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</p> <p>9. Approve arrangements for dealing with complaints and receive an annual report.</p> <p>10. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</p> <p>11. 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.</p> <p>12. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</p> <p>13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</p> <p>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>15. Authorise use of the seal.</p> <p>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 111.</p> <p>17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</p>
NA	The Board	<p>Appointments/ Dismissal</p> <p>18. Appoint the Vice Chairman of the Board.</p> <p>19. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.</p> <p>20. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 92).</p> <p>21. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</p> <p>22. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).</p> <p>23. Approve proposals of the Remuneration and Appointments Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration and Appointments Committee.</p>
NA	The Board	<p>Strategy, Plans and Budgets</p> <p>24. Define the strategic aims and objectives of the Trust each year.</p> <p>25. Approve proposals for ensuring appropriate arrangements for governance, quality and risk management, for the services provided by the Trust, having regard to any guidance issued by the Secretary of State.</p> <p>26. Approve the Trust's policies and procedures for the management of health and safety (if not included above) and to receive an Annual Report.</p> <p>27. Approve Outline and Final Business Cases for Capital Investment.</p> <p>28. Approve the budgets and the Trust's financial plan</p> <p>29. Approve any performance improvement and cost reduction plan</p> <p>30. Approve Trust's proposed organisational development proposals annually.</p> <p>31. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</p> <p>32. Approve PFI proposals.</p> <p>33. Approval of the opening or closing of any bank or investment account.</p> <p>34. Receipt and approval of a schedule of NHS contracts signed in accordance with arrangements approved</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>by the Chief Executive.</p> <p>35. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £100,000 over a 3 year period or the period of the contract if longer.</p> <p>36. 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 and Procurement (for losses and special payments) previously approved by the Board.</p> <p>37. Approve individual compensation payments.</p> <p>38. Approve proposals for action on litigation against or on behalf of the Trust. Review use of NHSLA risk pooling schemes (LPST/CNST/RPST).</p> <p>39. Receive annual reports on Child Protection, Comments and Complaints and Control of Infection</p>
	The Board	<p>Policy Determination</p> <p>40. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</p> <p>41. Policies so adopted shall be listed and appended to this document [by the Secretary]</p>
	The Board	<p>Audit</p> <p>42. Approve the appointment (and where necessary dismissal) of External Auditors and advise the Audit Commission on the appointment.</p> <p>43. Receive the annual audit letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.</p> <p>44. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</p>
NA	The Board	<p>Annual Reports and Accounts</p> <p>45. Consideration and approval of the Trust's Annual Report (including the Summary Financial Statements) and the Annual Accounts. In the case of the Annual Report, this will normally done by the Chairman and Chief Executive on behalf of the Board.</p>
NA	The Board	Performance Management

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>46. To receive reports on all aspects of the Trust's performance and particularly those covering performance against budgets, financial plans, performance improvement plans, internal or national targets and measures of activity and quality.</p> <p>47. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <p>48. Continuous appraisal of the affairs of the Trust by means of the receipt of reports as it sees fit from directors, committees, and officers of the Trust, to be consistent with the monitoring returns required by the NHS.</p>

Decisions/duties delegated by the board to committees

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 11.1.1	Audit Committee	<p>The Committee will:</p> <p>49. Advise the Board on the provision of internal and external audit services;</p> <p>50. Work with the Governance Committee to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;</p> <p>51. Ensure proper systems in place for the oversight of arrangements for financial governance;</p> <p>52. Monitor compliance with Standing Orders and Standing Financial Instructions;</p> <p>53. Review schedules of losses and compensations and making recommendations to the Board.</p> <p>54. Review schedules of debtor/creditor balances >£5k, >6 months</p> <p>55. Review the annual financial statements prior to submission to the Board.</p> <p>56. Will have cross-membership with the Governance committee to ensure development of integrated governance.</p>
SFI 20.1.2	R&A Committee	<p>The Committee will:</p> <p>57. Oversee the appointment of the Chief Executive and, with the Chief Executive, the appointment of Executive Directors and to make recommendations to the Board.</p> <p>58. Advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including: All aspects of salary (including any performance-related elements/bonuses); Provisions for other benefits, including pensions and cars; Arrangements for termination of employment and other contractual terms;</p> <p>59. Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff;</p> <p>60. Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff;</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		61. The Committee shall report in writing to the Board the basis for its recommendations.
HSC 1999/065 HSC1998/70 HSC 1999/123 Integrated governance handbook	Governance committee	A key role of the Governance Committee 62. will be the monitoring and review of the Board Assurance Framework (on behalf of the Trust Board), and its presentation to the Trust Board for its review and agreement at appropriate times of the year, but at least twice a year. It will also oversee the preparation of the Declaration of Compliance with Core Standards as part of the Annual Health Check. 63. will be to consider quality and risk, clinical governance, corporate governance, HR governance, information governance and research governance matters at each meeting to provide assurance that the correct systems, policies and procedures are in place. 64. will have cross-membership with the Audit committee to ensure development of integrated governance.
	Finance and Performance Committee	The Committee will: 65. keep under review the performance of the Trust in relation to clinical activity, finance and other key areas. It will also have oversight of planning for future performance. 66. The Committee will also consider, from time to time, the Trust's position in relation to the NHS Annual Health Check.

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
7	Chief Executive (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
9	CE and (DoF)	Ensure the accounts of the Trust are prepared under principles and in a format directed by the SofS. 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.
10	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.
12 & 13	Chief Executive	Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers: 67. "have a clear view of their objectives and the means to assess achievements in relation to those objectives 68. be assigned well defined responsibilities for making best use of resources 69. have the information, training and access to the expert advice they need to exercise their responsibilities effectively."
12	Chairman	Implement requirements of corporate governance.
13	Chief Executive	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO).
15	DoF	Operational responsibility for effective and sound financial management and information.
15	Chief Executive	Primary duty to see that DoF discharges this function.

REF	DELEGATED TO	DUTIES DELEGATED
16	Chief Executive	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
18	CE and DoF	Chief Executive, supported by Director of Finance and Procurement, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	Chief Executive	If CE considers the Board or Chairman is doing something that might infringe probity or regularity, he should set this out in writing to the Chairman and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary the SHA and Department of Health.
21	Chief Executive	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the Strategic Health Authority and the DH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

Scheme of delegation derived from the Codes of Conduct and Accountability

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to Code of Conduct.

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE/OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ul style="list-style-type: none"> ▪ to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; ▪ to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; ▪ to appoint, appraise and remunerate senior executives; ▪ 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; ▪ to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; ▪ 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.
1.3.2.4	BOARD	<p>It is the Board's duty to:</p> <ul style="list-style-type: none"> ▪ act within statutory financial and other constraints; ▪ be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, ▪ ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>monitored and senior executives held to account;</p> <ul style="list-style-type: none"> ▪ establish performance and quality measures that maintain the effective use of resources and provide value for money; ▪ specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; ▪ establish Audit and Remuneration and Appointment Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ul style="list-style-type: none"> ▪ provide leadership to the Board; ▪ enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; ▪ ensure that key and appropriate issues are discussed by the Board in a timely manner, ▪ ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; ▪ lead Non-Executive Board members through a formally-appointed Remuneration and Appointment Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; ▪ appoint Non-Executive Board members to an Audit Committee of the main Board; ▪ advise the Secretary of State on the performance of Non-Executive Board members.
1.3.2.5	CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chairman 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 maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in</p>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		fulfilling the decisions of the Board. The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.
1.3.2.6	NON EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by Appointments Commission 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.

Scheme of delegation from Standing Orders

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	CHAIRMAN	Final authority in interpretation of Standing Orders (SOs).
	BOARD	Appointment of Vice Chairman and Board Committee members
	CHAIRMAN	Call meetings.
	CHAIRMAN	Chair all Board meetings and delivery of associated responsibilities.
	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
	CHAIRMAN	Having a second or casting vote

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	BOARD	Suspension of Standing Orders
	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board). An annual report will be made.
	BOARD	Variation or amendment of Standing Orders
83-95	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.)
99	CHAIRMAN & 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.
102	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.
106	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
111-126	THE BOARD	Declare relevant and material interests.
119	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
108	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff".
136-137	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
142	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
143-150	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

STANDING FINANCIAL INSTRUCTIONS

January 2009

STANDING FINANCIAL INSTRUCTIONS

Introduction

General

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).
2. These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
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 Director of Finance and Procurement (DoF&P).
4. Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the DoF&P 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.
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.
6. **Overriding Standing Financial Instructions** – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the DoF&P as soon as possible.

Responsibilities and delegation

The Trust Board

7. The Board exercises financial supervision and control by:
 - 7.1. formulating the financial strategy;
 - 7.2. requiring the submission and approval of budgets within approved allocations/overall income;
 - 7.3. defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);

- 7.4. defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.
8. 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 Decisions reserved to the Board document included within the Standing Orders. All other powers have been delegated to such other committees as the Trust has established.

The Chief Executive (CE) and Director of Finance & Procurement (DoF&P)

9. The CE and DoF&P will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.
10. Within the Standing Financial Instructions, it is acknowledged that the CE 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 CE has overall executive responsibility for the Trust's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
11. It is a duty of the CE 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.

The DoF&P

12. The DoF&P is responsible for:
- 12.1. implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- 12.2. maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- 12.3. 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;
- 12.4. and, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the DoF&P include:
- 12.5. the provision of financial advice to other members of the Board and employees;
- 12.6. the design, implementation and supervision of systems of internal financial control;
- 12.7. 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.

Board Members and Employees

13. All members of the Board and employees, severally and collectively, are responsible for:
- 13.1. the security of the property of the Trust;

- 13.2. avoiding loss;
- 13.3. exercising economy and efficiency in the use of resources;
- 13.4. conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

Contractors and their employees

- 14. 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 CE to ensure that such persons are made aware of this.
- 15. 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 DoF&P.

Audit

Audit Committee

- 16. In accordance with Standing Order 91, the Board shall formally establish an Audit Committee, with clearly defined terms of reference taking account of all relevant guidance, which will provide an independent and objective view of internal control by:
 - 16.1. overseeing internal and external Audit services;
 - 16.2. reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
 - 16.3. work with the Governance Committee to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
 - 16.4. monitoring compliance with Standing Orders and Standing Financial Instructions;
 - 16.5. reviewing schedules of losses and compensations and making recommendations to the Board;
 - 16.6. have cross-representation with the Governance Committee to ensure development of integrated governance.
- 17. 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 Chairman of the Audit Committee should inform the Chief Executive and the Director of Finance and Procurement and raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health.

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18. It is the responsibility of the DoF&P 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.

DoF&P

19. The DoF&P is responsible for:
- 19.1. 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;
 - 19.2. ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
 - 19.3. deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
 - 19.4. ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee. The report must cover:
 - 19.4.1. 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;
 - 19.4.2. major internal financial control weaknesses discovered;
 - 19.4.3. progress on the implementation of internal audit recommendations;
 - 19.4.4. progress against plan over the previous year;
 - 19.4.5. strategic audit plan covering the coming three years;
 - 19.4.6. a detailed plan for the coming year.
20. The DoF&P or designated auditors are entitled without necessarily giving prior notice to require and receive:
- 20.1. access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
 - 20.2. access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
 - 20.3. the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
 - 20.4. explanations concerning any matter under investigation.

Role of Internal Audit

21. Internal Audit will review, appraise and report upon:
- 21.1. the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures; the adequacy and application of financial and other related management controls;
 - 21.2. the suitability of financial and other related management data;
 - 21.3. the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

- 21.3.1. fraud and other offences;
- 21.3.2. waste, extravagance, inefficient administration;
- 21.3.3. poor value for money or other causes.

21.4. Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health.

- 22. 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 DoF&P must be notified immediately.
- 23. The Chief Internal Auditor or Senior Audit Manager will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and CE of the Trust.
- 24. The Chief Internal Auditor shall be accountable to the DoF&P. The reporting system for internal audit shall be agreed between the DoF&P, 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.

External Audit

- 25. The External Auditor is appointed by the Audit Commission 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 Audit Commission if the issue cannot be resolved.

Fraud and Corruption

- 26. In line with their responsibilities, the Trust CE and DoF&P shall monitor and ensure compliance with Directions issued by the Secretary of State for Health on fraud and corruption.
- 27. The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.
- 28. The Local Counter Fraud Specialist shall report to the Trust DoF&P and shall work with staff in the Counter Fraud and Security Management Services (CFSMS) and the Regional Counter Fraud and Security Management Services (CFSMS) in accordance with the Department of Health Fraud and Corruption Manual.
- 29. The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

Security Management

- 30. In line with their responsibilities, the Trust CE will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.

31. 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 security management.
32. The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.
33. The CE has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Director of Estates and Facilities and the appointed Local Security Management Specialist (LSMS).

Allocations, planning, budgets, budgetary control, and monitoring

Preparation and Approval of Plans and Budgets

34. The CE will compile and submit to the Board a Local Delivery Plan which takes into account financial targets and forecast limits of available resources. The LDP will contain:
 - 34.1. a statement of the significant assumptions on which the plan is based;
 - 34.2. details of major changes in workload, delivery of services or resources required to achieve the plan.
35. Prior to the start of the financial year the DoF&P will, on behalf of the CE, prepare and submit budgets for approval by the Board. Such budgets will:
 - 35.1. in accordance with the aims and objectives set out in the Local Delivery Plan;
 - 35.2. accord with workload and manpower plans;
 - 35.3. be produced following discussion with appropriate budget holders;
 - 35.4. be prepared within the limits of available funds;
 - 35.5. identify potential risks.
36. The DoF&P shall monitor financial performance against budget and plan, periodically review them, and report to the Board.
37. All budget holders must provide information as required by the DoF&P to enable budgets to be compiled.
38. All budget holders will sign up to their allocated budgets at the commencement of each financial year.
39. The DoF&P has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

Budgetary Delegation

40. The CE may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
 - 40.1. the amount of the budget;
 - 40.2. the purpose(s) of each budget heading;
 - 40.3. individual and group responsibilities;
 - 40.4. authority to exercise virement;
 - 40.5. achievement of planned levels of service;

40.6. the provision of regular reports.

41. The CE and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
42. Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the CE, subject to any authorised use of virement.
43. Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the CE, as advised by the DoF&P.

Budgetary Control and Reporting

44. The DoF&P will devise and maintain systems of budgetary control. These will include:
 - 44.1. monthly financial reports to the Board in a form approved by the Board containing:
 - 44.1.1. income and expenditure to date showing trends and forecast year-end position;
 - 44.1.2. movements in working capital;
 - 44.1.3. Movements in cash and capital;
 - 44.1.4. capital project spend and projected outturn against plan;
 - 44.1.5. explanations of any material variances from plan;
 - 44.1.6. details of any corrective action where necessary and the CE's and/or DoF&P's view of whether such actions are sufficient to correct the situation;
 - 44.2. the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
 - 44.3. investigation and reporting of variances from financial, workload and manpower budgets;
 - 44.4. monitoring of management action to correct variances; and
 - 44.5. arrangements for the authorisation of budget transfers.
45. Each Budget Holder is responsible for ensuring that:
 - 45.1. any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
 - 45.2. 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;
 - 45.3. no permanent employees are appointed without the approval of the CE other than those provided for within the available resources and manpower establishment as approved by the Board.
46. The CE is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the LDP and a balanced budget.

Capital Expenditure

47. The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 44).

Monitoring Returns

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

Annual accounts and reports

49. The DoF&P, on behalf of the Trust, will:

49.1. 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 generally accepted accounting practice;

49.2. prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines;

49.3. submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.

50. The Trust's annual accounts must be audited by an auditor appointed by the Audit Commission. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

51. 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.

Bank and OPG accounts**General**

52. The DoF&P is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts.

53. Until the Trust becomes a Foundation Trust advice will take into account guidance/ Directions issued from time to time by the Department of Health. In line with 'Cash Management in the NHS' Trusts should minimize the use of commercial bank accounts and consider using Office of the Paymaster General (OPG) accounts for all banking services.

54. Prior to becoming a Foundation Trust a Treasury Policy will be established within the parameters set out in Monitor's best practice document "Managing Operating Cash in NHS Foundation Trusts" and the Trust's banking arrangements will be conducted in line with this policy.

55. The Board shall approve the banking arrangements.

Bank and OPG Accounts

56. The DoF&P is responsible for:

56.1. bank accounts and Office of the Paymaster General (OPG) accounts;

56.2. establishing separate bank accounts for the Trust's non-exchequer funds;

56.3. ensuring payments made from bank or OPG accounts do not exceed the amount credited to the account except where arrangements have been made;

56.4. reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.

56.5. monitoring compliance with DH guidance on the level of cleared funds.

Banking Procedures

57. The DoF&P will prepare detailed instructions on the operation of bank and OPG accounts which must include:

57.1. the conditions under which each bank and OPG account is to be operated;

57.2. those authorised to sign cheques or other orders drawn on the Trust's accounts.

58. The DoF&P must advise the Trust's bankers in writing of the conditions under which each account will be operated.

Tendering and Review

59. The DoF&P 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.

60. Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for OPG accounts.

Income, fees and charges and security of cash, cheques and other negotiable instruments

Income Systems

61. The DoF&P is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

62. The DoF&P is also responsible for the prompt banking of all monies received.

Fees and Charges

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

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

65. All employees must inform the DoF&P promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

Debt Recovery

66. The DoF&P is responsible for the appropriate recovery action on all outstanding debts. Income not received should be dealt with in accordance with losses procedures. Overpayments should be detected (or preferably prevented) and recovery initiated.

Security of Cash, Cheques and other Negotiable Instruments

67. The DoF&P is responsible for:
- 67.1. approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - 67.2. ordering and securely controlling any such stationery;
 - 67.3. 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;
 - 67.4. prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
68. Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
69. All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the DoF&P.
70. 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.

Tendering and contracting procedure**Duty to comply with Standing Orders and Standing Financial Instructions**

71. The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 68 Suspension of Standing Orders is applied).

EU Directives Governing Public Procurement

72. Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

Reverse eAuctions

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

Capital Investment Manual and other Department of Health Guidance

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

Formal Competitive Tendering**General Applicability**

75. The Trust shall ensure that competitive tenders are invited for:
- 75.1. the supply of goods, materials and manufactured articles;
 - 75.2. the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
 - 75.3. For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

Health Care Services

76. Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instructions 136-146 .

Exceptions and instances where formal tendering need not be applied

77. Formal tendering procedures **need not be applied** where:
- 77.1. the estimated expenditure or income does not, or is not reasonably expected to, exceed **£50,000**;
 - 77.2. where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
 - 77.3. regarding disposals as set out in Standing Financial Instructions No 202-221
78. Formal tendering procedures **may be waived** in the following circumstances:
- 78.1. in very exceptional circumstances where the CE 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;
 - 78.2. where the requirement is covered by an existing contract;
 - 78.3. where PASA agreements are in place and have been approved by the Board;
 - 78.4. where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
 - 78.5. where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
 - 78.6. where specialist expertise is required and is available from only one source;
 - 78.7. when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
 - 78.8. there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
79. The DoF&P will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

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

Fair and Adequate Competition

82. Where the exceptions set out in SFIs Nos.69 and 75-79, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

Building and Engineering Construction Works

83. Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

Items which subsequently breach thresholds after original approval

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

Contracting/Tendering Procedure**Invitation to tender**

- 84.1. All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- 84.2. Unless conducted electronically on a secure, audit validated electronic system, all invitations to tender shall state that no tender will be accepted unless:
- 84.2.1. submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the CE or nominated Manager;
 - 84.2.2. that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer or a secure audit approved electronic tender receipting system
- 84.3. Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- 84.4. Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of

Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

Receipt and safe custody of tenders

85. CE or his nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.
86. The date and time of receipt of each tender shall be endorsed on the tender

Opening tenders and Register of tenders

87. As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the CE and not from the originating department.
88. A member of the Trust Board will be required to be one of the two approved persons present for the opening of tenders estimated above £1 million. The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Trust's Scheme of Delegation.
89. The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender. The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the DoF&P or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
90. All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.
91. The Trust's Secretary will count as a Director for the purposes of opening tenders.
92. Every tender received shall be marked with the date of opening and initialed by those present at the opening.
93. A register shall be maintained by the CE, or a person authorised by him, to show for each set of competitive tender invitations despatched:
 - 93.1. the name of all firms individuals invited;
 - 93.2. the names of firms individuals from which tenders have been received;
 - 93.3. the date the tenders were opened;
 - 93.4. the persons present at the opening;
 - 93.5. the price shown on each tender (photocopies of priced sheets may be taken if many prices are applicable);
 - 93.6. a note where price alterations have been made on the tender.

94. Each entry to this register shall be signed by those present. A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.
95. Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (Standing Order No.97 below).

Admissibility

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

Late tenders

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

Acceptance of formal tenders (See overlap with SFI No. 107)

101. Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
102. The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.
103. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:
 - 103.1. experience and qualifications of team members;
 - 103.2. understanding of client's needs;
 - 103.3. feasibility and credibility of proposed approach;
 - 103.4. ability to complete the project on time.

104. Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.
105. 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 CE.
106. The use of these procedures must demonstrate that the award of the contract was:
- 106.1. not in excess of the going market rate / price current at the time the contract was awarded;
- 106.2. that best value for money was achieved.
107. Subject to the Freedom of Information Action, all tenders should be treated as confidential and should be retained for inspection.

Tender reports to the Trust Board

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

Quotations: Competitive and non-competitive

General Position on quotations

109. Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5000.

Competitive Quotations

110. Quotations should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
111. Unless conducted electronically on a secure audit validated electronic system, quotations should be in writing unless the CE or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
112. Subject to the Freedom of Information Action, all quotations should be treated as confidential and should be retained for inspection.
113. The CE or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

Non-Competitive Quotations

114. Non-competitive quotations in writing may be obtained in the following circumstances:
- 114.1. the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;

- 114.2. the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- 114.3. miscellaneous services, supplies and disposals;
- 114.4. where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e.: 120.1 and 120.2 of this SFI) apply.

Quotations to be within Financial Limits

- 115. No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the CE or DoF&P.

Authorisation of Tenders and Competitive Quotations

- 116. Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be ratified by the following staff to the value of the contract as follows:

Head of Procurement up to £93,738 (current OJEU threshold value

DoF&P/CE up to £999,999

Trust Board over £1 Million

- 117. These levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation.
- 118. Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

Instances where formal competitive tendering or competitive quotation is not required

- 119. Where competitive tendering or a competitive quotation is not required the Trust should adopt one of the following alternatives:
 - 119.1. the Trust shall use the NHS Business Services Authority for procurement of all goods and services unless the CE or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
 - 119.2. If the Trust does not use the NHS Business Services Authority - where tenders or quotations are not required, because expenditure is below £5,000 the Trust shall procure goods and services in accordance with procurement procedures approved by the DoF&P.

Private Finance for capital procurement (see overlap with SFI No. 178-201)

- 120. The Trust should normally market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:
 - 120.1. The CE shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.

- 120.2. Where the sum exceeds delegated limits, a business case must be referred to the appropriate Department of Health for approval or treated as per current guidelines.
- 120.3. The proposal must be specifically agreed by the Board of the Trust.
- 120.4. The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

Compliance requirements for all contracts

121. The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:
- 121.1. The Trust's Standing Orders and Standing Financial Instructions;
- 121.2. EU Directives and other statutory provisions;
- 121.3. any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants;
- 121.4. such of the NHS Standard Contract Conditions as are applicable.
- 121.5. contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance.
- 121.6. Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- 121.7. In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The CE shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

Personnel and Agency or Temporary Staff Contracts

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

Healthcare Services Agreements (see overlap with SFI No. 136-138)

123. 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 are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.
124. The CE shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

Disposals (See overlap with SFI No. 210-221)

125. Competitive Tendering or Quotation procedures shall not apply to the disposal of:
- 125.1. 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 CE or his nominated officer;
- 125.2. obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;

- 125.3. items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed on a periodic basis;
- 125.4. items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- 125.5. land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

In-house Services

126. The CE shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.
127. In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:
 - 127.1. Specification group, comprising the CE or nominated officer/s and specialist.
 - 127.2. In-house tender group, comprising a nominee of the CE and technical support.
 - 127.3. Evaluation team, comprising normally a specialist officer, a supplies officer and a DoF&P representative. For services having a likely annual expenditure exceeding £1 million, a non-officer member should be a member of the evaluation team.
128. All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders. The evaluation team shall make recommendations to the Board. The CE shall nominate an officer to oversee and manage the contract on behalf of the Trust.

NHS Service Agreements for provision of services (see overlap with SFI No 129-130)

Service Level Agreements (SLAs)

129. The CE, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Service Level Agreements (SLA) with service commissioners for the provision of NHS services.
130. All SLAs should aim to implement the agreed priorities contained within the Local Delivery Plan (LDP) and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the CE should take into account:
 - 130.1. the standards of service quality expected;
 - 130.2. the relevant national service framework (if any);
 - 130.3. the provision of reliable information on cost and volume of services;
 - 130.4. the NHS National Performance Assessment Framework;
 - 130.5. that SLAs build where appropriate on existing Joint Investment Plans;
 - 130.6. that SLAs are based on integrated care pathways.

Terms of service, allowances and payment of members of the Trust Board and executive committee and employees**Remuneration and Appointments (see overlap with SO No.92)**

131. In accordance with Standing Orders, the Board shall establish a Remuneration and Appointments Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. The Committee will:
- 131.1. advise the Board about the appointment and appropriate remuneration and terms of service for the CE, other officer members employed by the Trust and other senior employees including:
 - 131.1.1. all aspects of salary (including any performance-related elements/bonuses);
 - 131.1.2. provisions for other benefits, including pensions and cars;
 - 131.1.3. arrangements for termination of employment and other contractual terms;
 - 131.2. make such recommendations to the Board on the remuneration and terms of service of officer members of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
 - 131.3. monitor and evaluate the performance of individual officer members (and other senior employees);
 - 131.4. advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
132. The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of executive members. Minutes of the Board's meetings should record such decisions.
133. The Board will consider and need to approve proposals presented by the CE for the setting of remuneration and terms of service for those employees and officers not covered by the Committee.
134. The Trust will pay allowances to the Chairman and non-executive members of the Board in accordance with instructions issued by the Secretary of State for Health.

Funded Establishment

135. The manpower plans incorporated within the annual budget will form the funded establishment.
136. The funded establishment of any department may not be varied without the approval of the CE.

Staff Appointments

137. No officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:
- 137.1. unless authorised to do so by the CE;
 - 137.2. within the limit of their approved budget and funded establishment.
138. The Board will approve procedures presented by the CE for the determination of commencing pay rates, condition of service, etc, for employees.

Processing Payroll

139. The DoF&P is responsible for:
- 139.1. specifying timetables for submission of properly authorised time records and other notifications;
 - 139.2. the final determination of pay and allowances;
 - 139.3. making payment on agreed dates;
 - 139.4. agreeing method of payment.
140. The DoF&P will issue instructions regarding:
- 140.1. verification and documentation of data;
 - 140.2. the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
 - 140.3. maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
 - 140.4. security and confidentiality of payroll information;
 - 140.5. checks to be applied to completed payroll before and after payment;
 - 140.6. authority to release payroll data under the provisions of the Data Protection Act;
 - 140.7. methods of payment available to various categories of employee and officers;
 - 140.8. procedures for payment by cheque, bank credit, or cash to employees and officers;
 - 140.9. procedures for the recall of cheques and bank credits;
 - 140.10. pay advances and their recovery;
 - 140.11. maintenance of regular and independent reconciliation of pay control accounts;
 - 140.12. separation of duties of preparing records and handling cash;
 - 140.13. 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.
141. Appropriately nominated managers have delegated responsibility for:
- 141.1. submitting time records, and other notifications in accordance with agreed timetables;

- 141.2. completing time records and other notifications in accordance with the DoF&P's instructions and in the form prescribed by the DoF&P;
- 141.3. 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 fulfill obligations in circumstances that suggest they have left without notice, the DoF&P must be informed immediately.
142. Regardless of the arrangements for providing the payroll service, the DoF&P shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

Contracts of Employment

143. The Board shall delegate responsibility to an officer for:
- 143.1. ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
- 143.2. dealing with variations to, or termination of, contracts of employment.

Non pay expenditure

Delegation of Authority

144. The Board will approve the level of non-pay expenditure on an annual basis and the CE will determine the level of delegation to budget managers. The CE will set out:
- 144.1. the list of managers who are authorised to place requisitions for the supply of goods and services;
- 144.2. the maximum level of each requisition and the system for authorisation above that level.
145. The CE shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction Tendering and Contracting Procedure)

Requisitioning

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

System of Payment and Payment Verification

147. The DoF&P 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.
148. The DoF&P will:

- 148.1. advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- 148.2. prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- 148.3. be responsible for the prompt payment of all properly authorised accounts and claims;
- 148.4. be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - 148.4.1. A list of Board employees (including specimens of their signatures) authorised to certify invoices.
 - 148.4.2. Certification that:
 - 148.4.3. goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - 148.4.4. 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;
 - 148.4.5. 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;
 - 148.4.6. where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - 148.4.7. the account is arithmetically correct;
 - 148.4.8. the account is in order for payment.
 - 148.4.9. A timetable and system for submission to the DoF&P of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
 - 148.4.10. Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- 148.5. be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 164 below.

Prepayments

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

- 149.1. Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- 149.2. The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- 149.3. The DoF&P will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- 149.4. The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or CE if problems are encountered.

Official orders

150. Official Orders must:

- 150.1. be consecutively numbered;
- 150.2. be in a form approved by the DoF&P;
- 150.3. state the Trust's terms and conditions of trade;
- 150.4. only be issued to, and used by, those duly authorised by the CE.

Duties of Managers and Officers

151. Managers and officers must ensure that they comply fully with the guidance and limits specified by the DoF&P and that:

- 151.1. 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 DoF&P in advance of any commitment being made;
- 151.2. contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- 151.3. where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health;
- 151.4. 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:
 - 151.4.1. isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - 151.4.2. conventional hospitality, such as lunches in the course of working visits;

(This provision needs to be read in conjunction with Standing Order 131 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff");

- 151.5. no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the DoF&P on behalf of the CE;

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- 151.6. all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
 - 151.7. verbal orders must only be issued very exceptionally - by an employee designated by the CE and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
 - 151.8. orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
 - 151.9. goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
 - 151.10. changes to the list of employees and officers authorised to certify invoices are notified to the DoF&P;
 - 151.11. purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the DoF&P;
 - 151.12. petty cash records are maintained in a form as determined by the DoF&P.
152. The CE and DoF&P shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order 158)

153. 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 DoF&P which shall be in accordance with these Acts

External borrowing

154. The DoF&P will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The DoF&P is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
155. 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 CE and the DoF&P.
156. The DoF&P must prepare detailed procedural instructions concerning applications for loans and overdrafts.
157. 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 the Department of Health.
158. Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the CE or the DoF&P. The Board must be made aware of all short term borrowings at the next Board meeting.

159. All long-term borrowing must be consistent with the plans outlined in the current LDP and be approved by the Trust Board.
160. Prior to becoming a Foundation Trust, a Treasury Policy will be approved by the Board in line with good practice advice from Monitor, and the Trust's external borrowings will be conducted in line with this policy.

Investments

161. Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board. The DoF&P is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held. The DoF&P will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

Financial framework

162. Prior to becoming a Foundation Trust temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board. The DoF&P is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held. The DoF&P will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.
163. Prior to becoming a Foundation Trust a Treasury Policy in line with good practice advice from Monitor will be adopted and any Investments will be made in accordance with this policy.

Capital investment, private financing, fixed asset registers and security of assets

Capital Investment

164. The CE:
- 164.1. 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;
 - 164.2. is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - 164.3. 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.
165. For every major capital expenditure proposal the CE shall ensure:
- 165.1. that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:
 - 165.1.1. an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - 165.1.2. the involvement of appropriate Trust personnel and external agencies;

- 165.1.3. appropriate project management and control arrangements;
- 165.1.4. For small capital schemes (below £500k) a mini business case should be completed as prescribed by the DoF&P
- 165.2. that the DoF&P has certified professionally to the costs and revenue consequences detailed in the business case.
- 166. For capital schemes where the contracts stipulate stage payments, the CE will issue procedures for their management, incorporating the recommendations of "Estatecode".
- 167. The DoF&P shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.
- 168. The DoF&P shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 169. The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- 170. The CE shall issue to the manager responsible for any scheme:
 - 170.1. specific authority to commit expenditure;
 - 170.2. authority to proceed to tender (see overlap with SFI contracting and tendering procedure);
 - 170.3. approval to accept a successful tender (see overlap with SFI contracting and tendering procedure).
- 171. The CE will issue a scheme of delegation for capital investment management in accordance with "Estatecode" guidance and the Trust's Standing Orders.
- 172. The DoF&P shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in Annex C of HSC (1999) 246.

Private Finance (see overlap with SFI No. 126)

- 173. The Trust should normally test for PFI when considering major capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:
 - 173.1. The DoF&P shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
 - 173.2. Where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health or in line with any current guidelines.
 - 173.3. The proposal must be specifically agreed by the Board.

Asset Registers

- 174. The CE is responsible for the maintenance of registers of assets, taking account of the advice of the DoF&P concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

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175. Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Capital Accounting Manual* as issued by the Department of Health.
 176. Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
 - 176.1. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - 176.2. stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - 176.3. lease agreements in respect of assets held under a finance lease and capitalised.
 177. 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).
 178. The DoF&P shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
 179. The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the Department of Health.
 180. The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the Department of Health.
 181. The DoF&P of the Trust shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the Department of Health.

Security of Assets

182. The overall control of fixed assets is the responsibility of the CE.
183. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the DoF&P. This procedure shall make provision for:
 - 183.1. recording managerial responsibility for each asset;
 - 183.2. identification of additions and disposals;
 - 183.3. identification of all repairs and maintenance expenses;
 - 183.4. physical security of assets;
 - 183.5. periodic verification of the existence of, condition of, and title to, assets recorded;
 - 183.6. identification and reporting of all costs associated with the retention of an asset;
 - 183.7. reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
184. All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the DoF&P.

185. 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.
186. 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.
187. Where practical, assets should be marked as Trust property.

Stores and receipt of goods

General position

188. Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- 188.1. kept to a minimum;
 - 188.2. subjected to annual stock take;
 - 188.3. valued at the lower of cost and net realisable value.

Control of Stores, Stocktaking, condemnations and disposal

189. Subject to the responsibility of the DoF&P for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the CE. 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 DoF&P. 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.
190. 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.
191. The DoF&P shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
192. Stocktaking arrangements shall be agreed with the DoF&P and there shall be a physical check covering all items in store at least once a year.
193. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the DoF&P.
194. The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the DoF&P 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 DoF&P any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 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.

Goods supplied by NHS Business Services Authority

195. For goods supplied via the NHS Business Services Authority central warehouses, the DoF shall ensure that there are adequate procedures in place for sample checking of goods inwards against orders, for the investigation of discrepancies and for identifying staff members authorised to requisition and to accept goods from the store..

Disposals and condemnations, losses and special payments**Disposals and Condemnations****Procedures**

196. The DoF&P must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.
197. When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the DoF&P of the estimated market value of the item, taking account of professional advice where appropriate.
198. All unserviceable articles shall be:
- 198.1. condemned or otherwise disposed of by an employee authorised for that purpose by the DoF&P;
 - 198.2. recorded by the Condemning Officer in a form approved by the DoF&P 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 DoF&P.
199. 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 DoF&P who will take the appropriate action.

Losses and Special Payments**Procedures**

200. The DoF&P must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
201. 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 CE and the DoF&P or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the DoF&P and/or CE. Where a criminal offence is suspected, the DoF&P must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the DoF&P must inform the relevant LCFS and CFSMS regional team in accordance with Secretary of State for Health's Directions.
202. The DoF&P must notify the Counter Fraud and Security Management Services (CFSMS) and the External Auditor of all frauds.
203. For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the DoF&P must immediately notify:

204. the Board,
205. the External Auditor
206. The DoF&P is responsible for agreeing the procedures for the authorisation of Losses and Special Payments with only novel, contentious or repercussive cases being referred to the Department of Health for approval.
207. The DoF&P shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
208. For any loss, the DoF&P should consider whether any insurance claim can be made. The DoF&P shall maintain a Losses and Special Payments Register in which write-off action is recorded.
209. H.M. Treasury approval is required for special severance payments. All losses and special payments must be reported to the Audit Committee at every meeting.

Information technology

Responsibilities and duties of the DoF&P

210. The DoF&P, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- 210.1. 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 1998;
- 210.2. 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;
- 210.3. ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- 210.4. 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.
211. The DoF&P shall need to ensure that any significant 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.

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

212. In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Planning & Information.
- 212.1. details of the outline design of the system;

212.2. in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

212.3. the Director of Finance and Procurement shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans and security arrangements.

Contracts for Computer Services with other health bodies or outside agencies

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

214. Where another health organisation or any other agency provides a computer service for financial applications, the DoF&P shall periodically seek assurances that adequate controls are in operation.

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

215. Where computer systems have an impact on corporate financial systems the DoF&P shall need to be satisfied that:

215.1. systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;

215.2. data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;

215.3. DoF&P staff have access to such data;

215.4. such computer audit reviews as are considered necessary are being carried out.

Patients' property

216. 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.

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

217.1. notices and information booklets; (notices are subject to sensitivity guidance)

217.2. hospital admission documentation and property records;

217.3. the oral advice of administrative and nursing staff responsible for admissions,

217.4. 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.

218. The DoF&P 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.
219. Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Planning & Information.
220. 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.
221. 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.
222. 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.

Acceptance of gifts by staff and links to Standards of Business conduct (see overlap with SO No. 112 and SFI No. 167)

223. The DoF&P shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions.

Retention of records

224. The CE, through the Director of Planning and Information, shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines. The records held in archives shall be capable of retrieval by authorised persons. Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the CE. Detail shall be maintained of records so destroyed.

Risk management and insurance

Programme of Quality and Risk Management

225. The CE shall ensure that the Trust has a programme of quality and risk management, in accordance with current Department of Health requirements for the Board Assurance Framework, which must be approved and monitored by the Board or Board sub committee with the delegated authority.
226. The programme of risk management shall include:

- 226.1. a process for identifying and quantifying risks and potential liabilities;
 - 226.2. engendering among all levels of staff a positive attitude towards the control of risk;
 - 226.3. 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;
 - 226.4. contingency plans to offset the impact of adverse events;
 - 226.5. audit arrangements including; internal audit, clinical audit, health and safety review;
 - 226.6. a clear indication of which risks shall be insured;
 - 226.7. arrangements to review the quality and risk management programme.
227. The existence, integration and evaluation of the above elements will assist in providing a basis to make a Statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

Insurance: Risk Pooling Schemes administered by NHSLA

228. The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority 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.

Insurance arrangements with commercial insurers

229. 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:
- 229.1. Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
 - 229.2. where the Trust is involved with a consortium in a **Private Finance Initiative contract** and the other consortium members require that commercial insurance arrangements are entered into; and
 - 229.3. 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 the Litigation Authority. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

Arrangements to be followed by the Board in agreeing Insurance cover

230. Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the DoF&P shall ensure that the arrangements entered into are

appropriate and complementary to the risk management programme. The DoF&P shall ensure that documented procedures cover these arrangements.

231. Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the DoF&P 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 DoF&P 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.
232. All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The DoF&P should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Scheme of delegation from Standing Financial Instructions

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DoF&P	Approval of all financial procedures.
DoF&P	Advice on interpretation or application of SFIs.
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 and Procurement as soon as possible.
CE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
CE & DoF&P	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
CE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
DoF&P	Responsible for: Implementing the Trust's financial policies and coordinating corrective action; Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; Providing financial advice to members of Board and staff; Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
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.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
CE	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.
Audit Committee	Provide independent and objective view on internal control and probity.
Chair	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
DoF&P	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.)
DoF&P	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
Head of Internal Audit	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
Audit Committee	Ensure cost-effective External Audit.
CE & DoF&P	Monitor and ensure compliance with SofS Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
CE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
CE	<p>Compile and submit to the Board an LDP which takes into account financial targets and forecast limits of available resources. The LDP will contain:</p> <ul style="list-style-type: none"> ▪ a statement of the significant assumptions on which the plan is based; ▪ details of major changes in workload, delivery of services or resources required to achieve the plan.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DoF&P	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
DoF&P	Ensure adequate training is delivered on an on going basis to budget holders.
CE	Delegate budget to budget holders.
CE & Budget Holders	Must not exceed the budgetary total or virement limits set by the Board.
DoF&P	Devise and maintain systems of budgetary control.
Budget Holders	Ensure that <ul style="list-style-type: none"> ▪ no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; ▪ approved budget is not used for any other than specified purpose subject to rules of virement; ▪ no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
CE	Identify and implement cost improvements and income generation activities in line with the LDP.
CE	Submit monitoring returns
DoF&P	Preparation of annual accounts and reports.
DoF&P	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DoF&P	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
All employees	Duty to inform DoF of money due from transactions which they initiate/ deal with.
CE	Tendering and contract procedure.
CE	Waive formal tendering procedures.
CE	Report waivers of tendering procedures to the Board.
CE	Responsible for the receipt, endorsement and safe custody of tenders received.
CE	Shall maintain a register to show each set of competitive tender invitations despatched.
CE and DoF&P	Where one tender is received will assess for value for money and fair price.
CE	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 CE.
CE	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.
CE	The CE or his nominated officer should evaluate the quotation and select the quote which gives the best value for money.
CE or DoF&P	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the CE.
CE	The CE shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the

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	private sector.
BOARD	All PFI proposals must be agreed by the Board.
CE	The CE shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
CE	The CE shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
CE	The CE shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
CE	The CE shall nominate an officer to oversee and manage the contract on behalf of the Trust.
CE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services
CE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA
Board	Establish a Remuneration & Appointments Committee
Remuneration and Appointments Committee	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements;</p> <p>Monitor and evaluate the performance of individual senior employees;</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>

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Remuneration and Appointments Committee	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
Board	Approve proposals presented by the CE for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration and Appointments Committee.
CE	Approval of variation to funded establishment of any department.
CE	Staff, including agency staff, appointments and re-grading.
DoF&P	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 10.4.2).
Director of HR	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.
DoF&P	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.

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Director of HR	<p>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</p> <p>Deal with variations to, or termination of, contracts of employment.</p>
CE	<p>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.</p> <p>[It is good practice to append such lists to the Scheme of Delegation document.]</p>
CE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
Budget Holder	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
DoF&P	Shall be responsible for the prompt payment of accounts and claims.
DoF&P	<p>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;</p> <p>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;</p> <p>Be responsible for the prompt payment of all properly authorised accounts and claims;</p> <p>Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</p> <p>A timetable and system for submission to the DoF&P of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</p> <p>Instructions to employees regarding the handling and payment of accounts within the Finance Department;</p> <p>Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</p>

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Appropriate Executive Director	Make a written case to support the need for a prepayment.
DoF&P	Approve proposed prepayment arrangements.
Budget holder	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
CE	Authorise who may use and be issued with official orders.
Managers and officers	Ensure that they comply fully with the guidance and limits specified by the DoF&P.
CE DoF&P	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.
DoF&P	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
DoF&P	The DoF 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.
Board	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and DoF.)
DoF&P	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
CE or DoF&P	Be on an authorising panel comprising one other member for short term borrowing approval.
DoF&P	Will advise the Board on investments and report, periodically, on performance of same.

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DoF&P	Prepare detailed procedural instructions on the operation of investments held.
DoF&P	Ensure that Board members are aware of the Financial Framework and ensure compliance
CE	<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; ▪ 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.
DoF&P	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
CE	Issue procedures for management of contracts involving stage payments.
DoF&P	Assess the requirement for the operation of the construction industry taxation deduction scheme.
DoF&P	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
CE	<p>Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.</p> <p>Issue a scheme of delegation for capital investment management.</p>
DoF&P	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.

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DoF&P	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
BOARD	Proposal to use PFI must be specifically agreed by the Board.
CE	Maintenance of asset registers (on advice from DoF&P).
DoF&P	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
DoF&P	Calculate and pay capital charges in accordance with Department of Health requirements.
CE	Overall responsibility for fixed assets.
DoF&P	Approval of fixed asset control procedures.
Board, Executive Members and All senior staff	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
CE	Delegate overall responsibility for control of stores (subject to DoF&P responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
DoF&P	Responsible for systems of control over stores and receipt of goods.
Chief Pharmacist	Responsible for controls of pharmaceutical stocks
Designated Estates Officer	Responsible for control of stocks of fuel oil and coal.

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Director of Estates and Facilities	Security arrangements and custody of keys
DoF&P	Set out procedures and systems to regulate the stores.
DoF&P	Agree stocktaking arrangements.
DoF&P	Approve alternative arrangements where a complete system of stores control is not justified.
DoF&P	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
Budget Holder	Operate system for slow moving and obsolete stock, and report to DoF&P evidence of significant overstocking.
CE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
DoF&P	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
DoF&P	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
All Staff	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and DoF&P.
DoF&P	Where a criminal offence is suspected, DoF&P must inform the police if theft or arson is involved. In cases of fraud and corruption DoF&P must inform the relevant LCFS and CFSMS Regional Team in line with SoS directions.
DoF&P	Notify CFSMS and External Audit of all frauds.
DoF&P	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).

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Board	Approve write off of losses (within limits delegated by DH).
DoF&P	Consider whether any insurance claim can be made.
DoF&P	Maintain losses and special payments register.
DoF&P	Responsible for accuracy and security of computerised financial data.
DoF&P	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
Director of Planning and Information	Shall publish and maintain a Freedom of Information Scheme.
Relevant officers	Send proposals for general computer systems to DoF
DoF&P	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.
Director of Planning Information	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
Director of Planning Information	Where computer systems have an impact on corporate financial systems satisfy himself that: 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 rail

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	exists; DoF&P and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
CE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
DoF&P	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.
Departmental managers	Inform staff of their responsibilities and duties for the administration of the property of patients.
DoF&P	Shall ensure that each charitable fund which the Trust is responsible for managing is managed appropriately.
DoF&P	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
CE	Retention of document procedures in accordance with HSC 1999/053.
CE	Risk management programme.
Board	Approve and monitor risk management programme.
Board	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
DoF&P	Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the DoF&P shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The

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	<p>DoF&P shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the DoF&P 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 DoF&P will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
DoF&P	Ensure documented procedures cover management of claims and payments below the deductible.