

Corporate Governance Manual

Incorporating

Standing Orders,
Schedule of Matters Reserved to the Board and
Scheme of Delegation,
Standing Financial Instructions including
Delegated Financial Limits

Standing Orders for the Practice and Procedure of the Board of Directors

CONTENTS

| | Page |
|--|-------------|
| Foreword | 6 |
| Interpretations | 7 |
| 1. INTRODUCTION | |
| Statutory Framework | 9 |
| Delegation of Powers | 9 |
| 2. THE TRUST | |
| Composition of the Board | 11 |
| Appointment of the Chair & Directors | 11 |
| Terms of Office of the Chair & Directors | 11 |
| Appointment & powers of the Deputy Chair | 11 |
| Joint Directors | 12 |
| 3. MEETINGS OF THE BOARD OF DIRECTORS | |
| Calling meetings | 14 |
| Notice of meetings | 14 |
| Virtual meetings | 14 |
| Setting the agenda | 15 |
| Petitions | 15 |
| Chair of the meeting | 15 |
| Notices of motion | 15 |
| Withdrawal of motion or amendments | 15 |
| Motion to rescind a resolution | 15 |
| Motions | 15 |
| Procedure at and during a meeting | 16 |
| Emergency motions | 17 |
| Chair's ruling | 17 |

| | |
|--|----|
| Voting | 17 |
| Quorum | 18 |
| Suspension of standing orders | 18 |
| Admission of the public and press | 19 |
| Observers | 19 |
| 4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES | |
| Appointment of committees | 19 |
| 5. CONFIDENTIALITY | 22 |
| 6. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION | |
| Delegation of Functions to Committee, Officers or other bodies | 23 |
| Emergency Powers and urgent decisions | 23 |
| Delegation to Committees | 23 |
| Delegation to Officers | 24 |
| Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers | 24 |
| Duty to report non-compliance with Standing Orders and Standing Financial Instructions | 24 |
| 7. OVERLAP WITH OTHER TRUST POLICY STATEMENTS / PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS | 25 |
| 8. DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS | 26 |
| Declaration of Interests | 26 |
| Requirements for Declaring Interests and applicability to members of the Board of Directors | 26 |
| Interests which are relevant and material | 26 |
| Advice on Interests | 27 |
| Recording of Interests in Trust Board minutes | 27 |
| Publication of declared interests in Annual Report | 27 |

| | |
|--|-----|
| 9. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS | 33 |
| 10. STANDARDS OF BUSINESS CONDUCT | 34 |
| 11. MISCELLANEOUS | 34 |
| SCHEDULE OF MATTERS RESERVED TO THE BOARD AND SCHEME OF DELEGATION | 35 |
| Table of delegated authority | 46 |
| STANDING FINANCIAL INSTRUCTIONS | 60 |
| Table of delegated financial limits | 101 |

Foreword

Corporate governance is the system by which an organisation is directed and controlled, at its most senior levels, in order to achieve its objectives and meet the necessary standards of accountability and probity. Effective corporate governance, along with clinical governance, is essential for an NHS Trust to achieve its clinical, quality and financial objectives. Fundamental to effective corporate governance is having the means to verify the effectiveness of this direction and control, which is achieved through independent review and assurance.

The NHS Act 2006, Health and Social Care Act 2012 and subsequent regulations and statutory documents including the Foundation Trust constitution set out the legal framework within which the Foundation Trust operates.

Key documents in the Corporate Governance Manual for the Trust, requiring compliance by the Trust, its Executive and Non-Executive directors, officers and employees are:

- The Accountable Officer Memorandum;
- The Codes of Conduct for:
 - NHS Boards
 - Council of Governors
 - NHS Managers
 - Standards of Business Conduct by NHS Staff
- The Trust must also have agreed its own:
 - Standing Orders (for the Board of Directors and the Council of Governors), as a framework for internal governance,
 - Standing Financial Instructions as a framework for financial governance, and
 - Scheme of Reservation and Delegation which describe the powers reserved to and delegated by the Board and the Council of Governors

These documents together provide a regulatory framework for the business conduct of the Trust.

The Board of Directors is also required to appoint Audit and Remuneration Committees and establish a framework for managing risk.

The Trust provides community services. Directors and staff are expected to observe the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

It is essential that all employees and members know of the existence of these documents and are aware of their responsibilities included there within. To this end all directors, consultants, senior managers, directorate managers and heads of department have been given access to this manual via the Trust intranet site and it is incumbent upon them to ensure that all staff in their charge are advised of its existence.

Any queries relating to the contents of these documents should be submitted to the Director of Corporate Affairs or myself who will be pleased to provide clarification.

Karen Howell

Chief Executive
March 2018

Interpretations and definitions for standing orders

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 they 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 2006, National Health Service Health and Social Care Act 2012 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. Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.

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| "Accounting 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. The National Health Service Act 2006 (paragraph 25(5) of Schedule 7) designates the Chief Executive of an NHS Foundation Trust as the Accounting Officer |
| "Board of Directors" | means the Chairman, Executive Officer and Non-Executive Officer 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 or employees with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation |
| "Chairman of the Board" (or "Chairman of the Trust") | is the person appointed by the Council of Governors to lead the Board of Directors and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression <i>'the Chairman of the Trust'</i> shall be deemed to include the Deputy-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 who is also the "Accounting Officer" |
| "Committee" | means a committee or sub-committee created and appointed by the Board of Directors |
| "Committee members" | means persons formally appointed by the Board of Directors to sit on or to chair specific committees |
| "Constitution" | means the Foundation Trust Constitution of the Trust |
| "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 |
| "Council of Governors" | means the Council of Governors of the Trust as defined in the Constitution |
| "Deputy Chair" | means the non-officer Director appointed by the Board to take on the Chair's duties if the Chair is absent for any reason |

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| “Funds held on trust” | shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under the NHS Act 2006, as amended. Such funds may or may not be charitable |
| “Executive Director” | means a member of the Trust who is an officer of the Trust appointed in accordance with the Constitution |
| "Member of the Council" | means a Governor of the Trust (member in relation to the Council does not include the Chair) |
| "Nominated officer" | means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions |
| "Non-Executive Director" | means a Director of the Board of Directors who is not an officer of the Trust |
| "Officer" | means employee of the Trust or any other person holding a paid appointment or office with the Trust |
| “Secretary” | means a person who may be appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust’s compliance with the regulatory framework and Standing Orders |
| “SFIs” | means Standing Financial Instructions |
| “SOs” | means Standing Orders |
| "The Trust" or “The NHS Trust” | means Wirral Community NHS Foundation Trust |
| The 2012 Act | means The Health and Social Care Act 2012 |
| The 2006 Act | means the National Health Service Act 2006 |
| The 2008 Act | means the Health and Social Care Act 2008 |
| “Deputy 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 |
| FPPR | means the Fit and Proper Persons Regulations, Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 5 |

1. INTRODUCTION

1.1 Statutory Framework

Wirral Community NHS Foundation Trust (the Trust) is a public benefit corporation which came into existence on 1 May 2016 following approval by the Independent Regulator (Monitor) pursuant to the Health and Social Care (Community Health and Standards) Act 2006 (the 2006 Act). The Trust's licence number is 130162.

The Head Office of the Trust is at St Catherine's Health Centre, Derby Road, Birkenhead, Wirral, CH42 0LQ.

NHS Foundation Trusts are governed by Acts of Parliament, mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995, the Health Act 1999 and the Health and Social Care Act 2001 and 2003 and the 2006 Act.

The functions of the Trust are conferred by this legislation.

As a public benefit corporation, the Trust has specific powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable.

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

1.2 NHS Framework

The NHS Regulatory Framework 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.

The Board of Directors will ensure that it follows the NHS Foundation Trust Code of Governance.

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

The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS.

All NHS bodies are required by law to take account of the NHS Constitution (updated in August 2014) in their decisions. The NHS Constitution aims to safeguard the enduring principles and values of the NHS by setting out clear expectations about behaviours of both staff and patients. It is intended to empower the public, patients and staff by setting out legal rights. The Constitution also sets out clear expectations about the behaviours of both staff and patients.

1.3 Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements.

Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 6) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by

virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Board of Directors thinks fit.

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.

1.4 Integrated Governance

Integrated Governance is a co-coordinating principle. It does not seek to replace or supersede clinical, financial or any other governance domain; rather it highlights their vital importance and their inter-dependence and interconnectivity.

It is;

- Underpinned by intelligent information and public/patient engagement
- Is intended to move organisations towards good governance
- Moves governance out of individual silos into a coherent and complementary set of challenges
- Requires boards to focus on strategic objectives, but also to know when and how to drill down to critical areas of delivery
- Requires the development of robust assurance and reporting of delegated clinical and operational decision-making in line with well-developed controls

(The Integrated Governance Handbook, March 2011)

2. THE TRUST

- 2.1 All business shall be conducted in the name of the Foundation Trust.
- 2.2 All the powers of the Trust shall be exercised by the Board of Directors on behalf of the Trust.
- 2.3 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These powers and decisions are set out in Reservation of Powers to the Board Directors and Scheme of Delegation] and have effect as if incorporated into the Standing Orders.
- 2.4 **Composition of the Board of Directors** - In accordance with the Constitution (para 22) the composition of the Board of Directors shall comprise both Executive and Non-Executive Directors;
- a) A non-executive Chairman
 - b) At least four, but not more than six other non-executive directors
 - c) At least four, but not more than six executive directors provided that at all times at least half the Board of Directors, excluding the Chairman should comprise Non-Executive Directors.
 - d) One of the executive directors shall be the Chief Executive and the Chief Executive shall be the Accounting Officer
 - e) One of the executive directors shall be the Chief Finance Officer
 - f) One of the executive directors is to be a registered medical practitioner or a registered dentist
 - g) One of the executive directors is to be a registered nurse or a registered midwife
- 2.5 **Appointment of Chairman and Non-Executive Directors** - The Chair and Non-Executive Directors are appointed by the Council of Governors. Otherwise the appointment, removal and tenure of office of the Chair and Non-Executive Directors are set out in the Constitution (para 24 & 25) and subsequent amendments.
- 2.6 **Appointment of the Chief Executive and other Executive Directors** - The Chief Executive and Executive Directors are appointed by the Non-Executive Directors. Otherwise the appointment and removal of the Chief Executive and Executive Directors are set out in the Constitution (para 28) and subsequent amendments.
- 2.7 **Terms of Office of the Chair and Directors** - The regulations setting out the period of tenure of office of the Chair and Directors and for the termination or suspension of office of the Chair and Directors are contained in the Constitution (para 26-30)
- 2.8 **Appointment and Powers of Deputy Chairman** - The Council of Governors shall appoint one of the non-executive directors as deputy chairman, as set out in para 27 of the Constitution.
- a) Any Non-Executive Director so appointed may at any time resign from the office of Deputy Chairman by giving notice in writing to the Chair and the Council of Governors.
 - b) Where the Chair of the Trust ceases to hold office, or where they have been unable to perform their duties as Chair owing to illness or any other cause, the Deputy 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 Deputy Chairman.

2.9 Joint Directors - Where more than one person is appointed jointly to a post mentioned in the Constitution, those persons shall count for the purpose of SO2.4 as one person.

- a) Where the office of a member of the Board is shared jointly by more than one person:
- Either or both of those persons may attend or take part in meetings of the Board;
 - If both are present at a meeting they should cast one vote if they agree;
 - In the case of disagreements no vote should be cast;
 - The presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.16 quorum.

2.10 Role of Directors - The Board of Directors shall function as a corporate decision-making body, Executive and Non-Executive Directors 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.

2.11 Executive Directors

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

2.12 Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. They are the Accounting 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 Accounting Officer Memorandum for NHS Foundation Trust Chief Executives.

2.13 Chief Finance Officer

The Chief Finance Officer 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. They shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

2.14 Non-Executive Directors

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

2.15 Chairman

- a) The Chairman shall be responsible for the operation of the Board of Directors and chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment as confirmed by the Council of Governors and with these Standing Orders.
- b) The Chairman shall liaise with the Council of Governors over the appointment and re-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 which shall be reported to the Council of Governors annually as per the FT Code of Governance.

- c) 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.

3. MEETINGS OF THE BOARD OF DIRECTORS

3.1 Calling Meetings

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

3.2 Notice of Meetings

- a) Before each meeting of the Board of Directors a 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 three clear days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf.
- b) Failure to receive the notice by any Director shall not affect the validity of a meeting.
- c) In the case of a meeting called by Directors in default of the Chair calling the meeting, the notice shall be signed by those members and no business shall be transacted at the meeting other than that specified in the notice.
- d) Agendas will be sent to Directors three working days before the meeting (plus a weekend) and supporting papers shall accompany the agenda, but will certainly be dispatched no later than three clear days before the meeting, save in emergency.

3.3 Calling a virtual meeting

- a) In order to facilitate the Board of Directors undertaking the business required of it, there may on occasion be a need for this to be conducted outside of its scheduled meetings in circumstances where it would not be practical to convene a meeting 'in person'.
- b) In such circumstances the Board of Directors is authorised by its Terms of Reference to conduct business via a process of 'e-governance'. The rules to be observed when conducting business in this manner are as follows;
 - The business to be conducted must be set out in formal papers accompanied by the usual cover sheets which clearly set out the nature of the business to be conducted and the proposal which members are being asked to consider.
 - The papers will be forwarded by the Director of Corporate Affairs via e-mail to all members of the Board of Directors who, subject to their availability, are expected to respond by e-mail to the same distribution list with their views within three working days of receipt of the papers.
 - For the conclusion of the Board to be valid, responses must be received from a quorum (at least one third of the whole number of voting directors) of Board membership and in instances where the approval of the Board of Directors is sought; all such responses should support the proposal.
 - In the event that there is not a unanimous agreement of all responding Members, the proposal shall be considered not to be approved.
 - The Director of Corporate Affairs will summarise the conclusions reached for the agreement of the Chair and this summary will be presented to the next scheduled

meeting of the Board following which it will be appended to the minutes of that meeting.

3.4 Setting the Agenda

- a) The Board of Directors may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted.
- b) A Director desiring a matter to be included on an agenda shall make their request in writing to the Chair at least 10 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 10 days before a meeting may be included on the agenda at the discretion of the Chair.
- c) Before each meeting of the Board of Directors a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three clear days before the meeting.

3.5 Petitions - Where a petition has been received by the Trust, the Chair of the Board of Directors shall include the petition as an item for the agenda of the next meeting.

3.6 Chair of the Meeting

- a) At any meeting of the Board of Directors, the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), if present, shall preside.
- b) If the Chair is absent temporarily on the grounds of a declared conflict of interest the Vice-Chairman, if present, shall preside. If the Chair and Deputy Chair are absent, or are disqualified from participating, such Non-Executive Directors present shall choose who shall preside.

3.7 Notices of Motion - A Director of the Board desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Chair, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda.

3.8 Withdrawal of Motion or Amendments - A motion or an amendment to a motion once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.

3.9 Motion to Rescind a Resolution - Notice of motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the Director who gives it and also the signature of 4 other Directors. When any such motion has been disposed of by the Board of Directors, it shall not be competent for any Director other than the Chair to propose a motion to the same effect within 6 months; however the Chair may do so if he/she considers it appropriate.

3.10 Motions - The mover of a motion shall have a right of reply at the close of any discussion on the motion of any amendment thereto.

When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceed to the next business (*);
- that the question should be now put (*);
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member/director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.16).

In the case of sub-paragraphs denoted by (*) above to ensure objectivity, motions may only be put by a Director who has not previously taken part in the debate and who is eligible to vote.

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

3.11 Procedure at and during a meeting

a) Who may propose

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

b) Contents of motions

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

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

c) Amendments to motions

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

d) Rights of reply to motions

- Amendments

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

- Substantive/original motion

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

3.12 Emergency motions - Subject to the agreement of the Chair, and subject also to the provision of Standing Order 3.10 '*Motions: Procedure at and during a meeting*', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Board of Directors at the commencement of the business of the meeting as an additional item included in the agenda. The Chair's decision to include the item shall be final.

3.13 Chair's ruling - 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.

3.14 Voting - 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 Chair shall have a second, and casting vote.

- a) All questions put to the vote shall, at the discretion of the Chair of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Directors present so request.
- b) If at least one-third of the Directors present so request, the voting (other than by paper ballot) on any question may be recorded so as to show how each Director present voted or abstained.
- c) If a Director so requests, his/her vote shall be recorded by name.
- d) In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- e) A officer who has been appointed formally by the Board of Directors to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of the Executive Director. An officer attending the Board of Directors to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.

3.15 Minutes

- a) 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 Chair presiding at it.
- b) No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- c) Minutes shall be circulated in accordance with Directors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public as required by Code of Practice on Openness in the NHS.

3.16 Quorum

- a) No business shall be transacted at a meeting of the Board of Directors unless at least one-third of the whole number of the Chair and Directors appointed (including at least one Non-Executive and one Executive Director) is present.
- b) An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- c) If the Chair or Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO8) 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.
- d) Attendance by telephone link, agreed in advance with the Chair of the meeting, by any member of the Board of Directors will count towards quorum and such attendance will be recorded as being present.

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

3.18 Suspension of Standing Orders

- a) Except where this would contravene any provision of the constitution or any direction made by the Independent Regulator of NHS Foundation Trusts any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board of Directors are present including one Executive Director Member of the Trust and one Non-Executive Director and that at least two-thirds of those present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- b) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and Board of Directors.
- c) No formal business may be transacted while Standing Orders are suspended.
- d) The Audit Committee shall review every decision to suspend Standing Orders within a timeframe agreed by the Trust Chair.

3.19 Variation and amendment of Standing Orders - These standing orders shall be amended only if;

- Upon a notice of motion under Standing Order 3.9
- Upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting;
- That two-thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive Directors vote in favour of the amendment;
- Providing that any variation or amendment does not contravene a statutory provision or direction made by the Independent Regulator of NHS Foundation Trusts

3.20 Admission of the public and press

In accordance with paragraph 31.1 of the constitution meetings of the Board of Directors shall be open to members of the public. Members of the public may be excluded from a meeting for special reasons.

- a) The Board of Directors shall decide the arrangement and terms and conditions it feels appropriate to offer in extending an invitation to observers to attend and address any of the Board of Directors' meeting and may change, alter or vary these terms and conditions as it deems fit.
- b) Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings.

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust thereof. Such permission shall be granted only upon resolution of the Trust.

- c) Observers at Trust meetings

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

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

- a) Subject to such directions as may be given by the Independent Regulator of Foundation Trusts, the Board of Directors may appoint committees of the Trust.
- b) The Board of Directors shall determine the membership and terms of reference of committees and sub-committees and shall, receive and consider reports of such committees.

4.2 Joint Committees

- a) Joint committees may be appointed by the Board of Directors by joining together with one or more other health service bodies consisting of, wholly or partly of the Chairman and the Board of Directors or other health service bodies, or wholly of persons who are not members of the Board of Directors or other health service bodies in question.
- b) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Independent Regulator of Foundation Trusts or the Board of Directors or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are Directors of the Board or health bodies in question) or wholly of persons who are not Directors of the Board or health bodies in question or the committee of the Trust or health bodies in question.

4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees

The Standing Orders and Standing Financial Instructions of the Board of Directors, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Board of Directors. 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.

4.4 Terms of Reference

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

4.5 Delegation of powers by Committees to Sub-Committees

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

4.6 Approval of Appointments to Committees

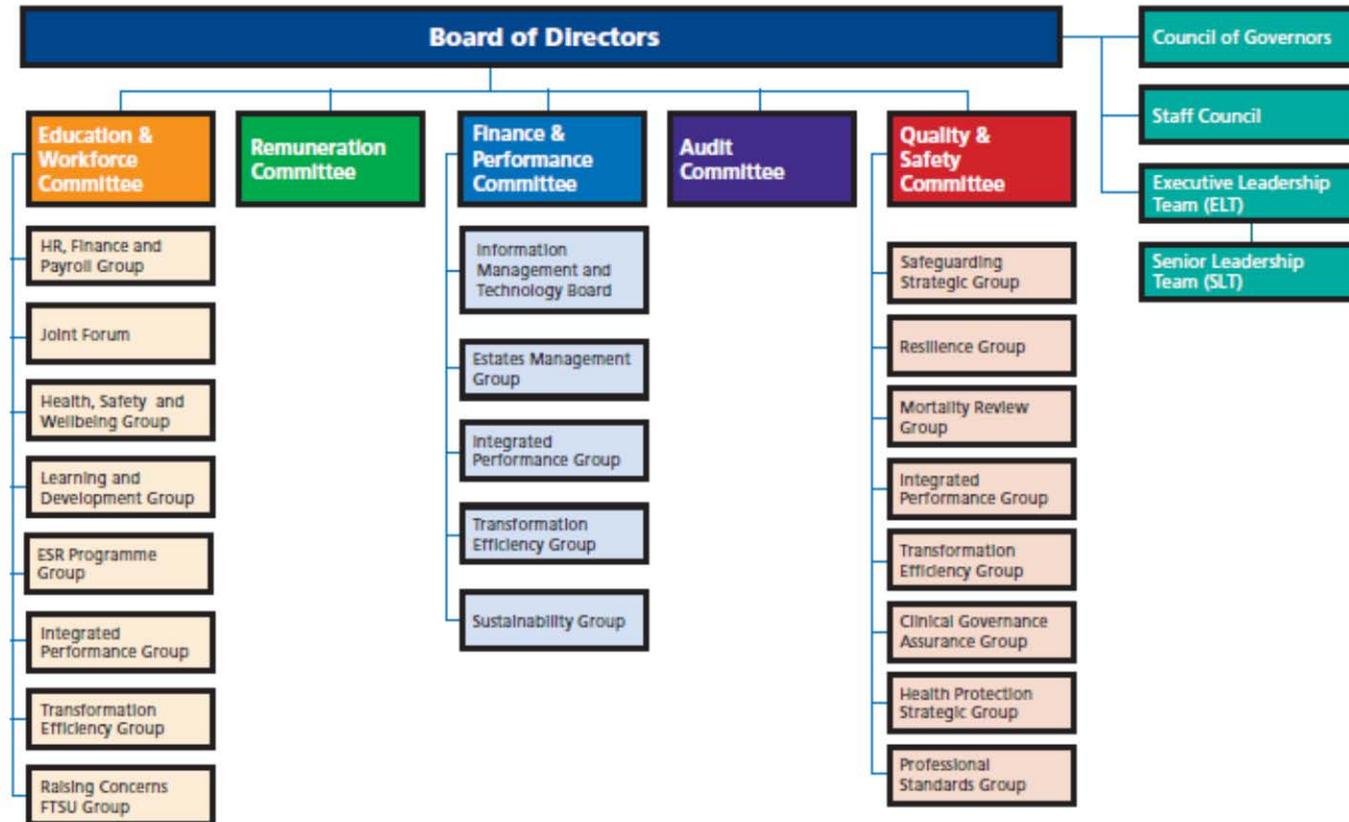
The Board of Directors shall approve the appointments to each of the committees which it has formally constituted. Where the Board of Directors determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall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

4.7 Committees established by the Board of Directors

The committees established by the Board of Directors are;

- Audit Committee
- Remuneration and Terms of Service Committee
- Quality and Safety Committee
- Finance and Performance Committee
- Education and Workforce Committee
- Other Committees

The Board of Directors may establish other committees, sub committees and joint committees, including ad hoc committees, sub committees and joint committees at its discretion without requirement to amend these standing orders.



Governance Structure - February 2018

5. CONFIDENTIALITY

- 5.1 A Director or appointee of a committee, sub-committee or joint committee shall not disclose a matter dealt with by, or brought before, the relevant committee without its permission until the committee shall have reported to the Board of Directors or shall otherwise have concluded on that matter.
- 5.2 A Director or an appointee of a committee, sub-committee or joint committee shall not disclose any matter reported to the Board of Directors or otherwise dealt with by the relevant committee, notwithstanding that the matter has been reported or action has been concluded, if the Board of Directors or committee shall resolve that it is confidential.

6. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

6.1 Delegation of Functions to Committee, Officers or other bodies

- a) Subject to the Constitution and Terms of Authorisation and such directions as may be given by the Independent Regulator of NHS Foundation Trusts, the Board of Directors may make arrangements for the exercise, on behalf of the Board of Directors, of any of its functions by a committee, sub-committee appointed by virtue of SO4, or by an officer of the Trust, or by another body as defined in SO6.1b) below, in each case subject to such restrictions and conditions as the Trust thinks fit.

In accordance with The Trust's (Membership, Procedure and Administration Arrangements) Regulations 2003 the functions of the Trust may also be carried out in the following ways:

- by another Trust;
 - jointly with any one or more of the following: NHS Trusts, NHS Foundation Trusts, special health authorities;
 - by arrangement with the appropriate Trust, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
 - in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more Special Health Authorities, NHS Trusts or local health board.
- b) 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.

6.2 Emergency Powers and urgent decisions

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

6.3 Delegation to Committees

- a) The Board of Directors shall agree from time to time to the delegation of executive powers to be exercised by committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Independent Regulator of NHS Foundation Trusts. 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 of Directors in respect of its sub-committees.
- b) When the Board of Directors 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.

6.4 Delegation to Officers

- a) Those functions of the Trust which have not been retained as reserved by the Board of Directors or delegated to a committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions they will perform personally and shall nominate Executive Directors to undertake the remaining functions for which they will still retain accountability to the Board of Directors.
- b) The Chief Executive shall prepare a Scheme of Delegation identifying their proposals which shall be considered and approved by the Board of Directors, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board of Directors as indicated above.
- c) Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of Directors of the Chief Finance Officer/Deputy Chief Executive or other Executive Directors to provide information and advise the Board of Directors in accordance with the Constitution, Terms of Authorisation, any statutory requirements or provisions required by the Independent Regulator of NHS Foundation Trusts. Outside these statutory requirements the roles of the Chief Finance Officer/Deputy Chief Executive shall be accountable to the Chief Executive for operational matters.

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

The arrangements made by the Board of Directors as set out in the *Schedule of Matters reserved to the Board and Scheme of Delegation* shall have effect as if incorporated in these Standing Orders.

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

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

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

7.1 Policy statements: general principles

The Board of Directors will from time to time agree and approve Policy statements/procedures which will apply to all or specific groups of staff employed by the 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.

7.2 Specific Policy statements

- a) Notwithstanding the application of SO No. 7.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:
- Managing Conflicts of Interest (GP7)
 - Standards of Business Conduct for NHS staff.
 - Code of Conduct for NHS Managers (see Appendices).
 - ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.
 - The Standards of Conduct and Disciplinary Policy (HRP01) and the Policy for Handling Individual & Collective Grievances (HRP2) adopted by the Trust both of which shall have effect as if incorporated in these Standing Orders.
 - Anti-Fraud, Bribery & Corruption Policy

7.3 Standing Financial Instructions

The Standing Financial Instructions (SFIs) adopted by the Board of Directors in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

7.4 Specific guidance

Notwithstanding the application of SO7.1 above, these Standing Orders and the approved Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Independent Regulator for NHS Foundation Trusts:

- a) Human Rights Act 2000
- b) General Data Protection Regulation (GDPR) 2018
- c) Freedom of Information Act 2000
- d) Equality Act 2010
- e) The National Health Service Trusts (Membership and Procedure) Regulations 1990 (updated in April 2014)
- f) Fit and Proper Persons Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 5
- g) The Bribery Act 2010
- h) The Fraud Act 2006

8. DECLARATION OF INTEREST AND REGISTER OF INTERESTS

8.1 Declaration of Interests

a) Definition

A conflict of interest is defined as “a set of circumstances by which a reasonable person would consider that an individual’s ability to apply judgement or act, in the context of delivering, commissioning or assuring taxpayer funded health and care services is, or could be, impaired or influenced by another interest they hold”. (NHS England, June 2017)

A conflict of interest may be ‘actual’ where there is a material conflict between one or more interests or ‘potential’ where there is the possibility of a material conflict between one or more interests in the future.

b) Requirements for Declaring Interests and applicability to members of the Board of Directors

The FT constitution and FT Code of Governance requires Directors to declare interests which are relevant and material to the Board of Directors. All existing Directors should declare such interests annually and any Directors appointed subsequently should do so, on appointment.

c) Interests which are relevant and material

Interests fall into the following categories;

- **Financial Interests**

Where an individual may get direct financial benefit from the consequences of a decision they are involved in making

E.g. A director or senior employee in another organisation which is doing, or is likely to do business with an organisation in receipt of NHS funding, a shareholder, partner or owner of an organisation

- **Non-financial professional interests**

Where an individual may obtain non-financial professional benefit from the consequences of a decision they are involved in making, such as increasing their professional reputation or promoting their professional career

E.g. A clinician with a special interest, an advisor for the CQC or NICE

- **Non-financial personal interests**

Where an individual may benefit personally in ways which are not directly linked to their professional career and do not give rise to a direct financial benefit, because of decisions they are involved in making in their professional career

E.g. A member of a voluntary sector board or has a position of authority within a voluntary sector organisation

- **Indirect interests**

Where an individual has a close association with another individual who has a financial interest, a non-financial interest or a non-financial personal interest who would stand to benefit from a decision they are involved in making

E.g. close family members and relatives, close friends and associates, business partners

Any member of the Board of Directors who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in SO8.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Director shall declare their interest by giving notice in writing of such fact to the Trust as soon as practicable.

d) Advice on Interests

If Directors have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust, or with the Director of Corporate Affairs.

International Accounting Standard 24 (issued by the International 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.

e) Recording of Interests in Trust Board minutes

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

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

f) Publication of declared interests in Annual Report

Board members' interests should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

g) Conflicts of interest which arise during the course of a meeting

During the course of a Board of Directors meeting, if a conflict of interest is established, the member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with SO 8.3b)

8.2 Register of Interests

- a) The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of the Board of Directors and decision making staff (as defined in policy GP7 Managing Conflicts of Interest). In particular the Register will include details of all relevant and material interests (as defined in SO 8.1c).
- b) These details will be kept up to date on a continuous basis as and when new declarations are made. The register will then be presented to the next Board of Directors meeting or, where no changes have occurred, on an annual basis. In addition to the requirement for the register to be presented to the Board of Directors whenever there are changes, the Audit Committee is able to request a copy of the register at any time.
- c) 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.

8.3 Exclusion of Chairman and Directors in proceedings on account of pecuniary interest

a) Interpretation of 'Pecuniary' interest

For the sake of clarity in interpreting this Standing Order:

- "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);
- "contract" shall include any proposed contract or other course of dealing
- 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;
 - they, or a nominee of theirs, is a member of a company or other body (not being a public body), with which the contract is made, or proposed to be made or which has a direct pecuniary interest in the same, or
 - they are a partner, associate or employee of any person with whom the contract is made or proposed to be made or who has a direct pecuniary interest in the same.
- a person shall not be regarded as having a pecuniary interest in any contract if;
 - neither they or any person connected with them has any beneficial interest in the securities of a company of which they or such person appears as a member, or
 - any interest that they or any person connected with them may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Director in relation to consideration of or discussion of or in voting on, any question with respect to that contract, or
 - those securities of any company in which they (or any person connected with them) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less. Provided however, that where this applies, the person shall nevertheless be obliged to disclose/declare their interest in accordance with SO 8.1b).

b) Exclusion in proceedings of the Board of Directors

Subject to the following provisions of this Standing Order, if the Chairman or a member of the Board of Directors has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board of Directors 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.

The Independent Regulator for NHS Foundation Trusts may, subject to such conditions as they may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to them in the interests of the National Health Service that the disability should be removed. (See SO 8.3c) on the 'waiver' which has been approved by the Independent Regulator for NHS Foundation Trusts.

The Board of Directors may exclude the Chair or a Director of the Board from a meeting of the Board of Directors while any contract, proposed contract or other matter in which they have a pecuniary interest is under consideration.

Any remuneration, compensation or allowance payable to the Chairman or a Director by virtue of the National Health Service Act 2012 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.

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 is also a Director of the Trust) as it applies to a Director of the Trust.

c) Waiver of Standing Orders made by the Independent Regulator for NHS Foundation Trusts

Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 (“the Regulations”), there is a power for the Independent Regulator for NHS Foundation Trusts to issue waivers if it appears to the Independent Regulator for NHS Foundation Trusts 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 8.3e below.

d) Definition of ‘Chairman’ for the purpose of interpreting this waiver

For the purposes of paragraph 8.3e below, the ‘relevant chairman’ is, at a meeting of the Board of Directors, the Chair of that Trust.

e) Application of waiver

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

It will apply to:

- A Director of 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:
 - services under the National Health Service Act 2006; or
 - services in connection with a pilot scheme under the National Health Service Act 2006; for the benefit of persons for whom the Trust is responsible.
- Where the pecuniary interest of the member in the matter which is the subject of consideration at a meeting at which he is present:
 - 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;
 - 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:
 - are members of the same profession as the member in question;
 - 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.

f) **Conditions which apply to the waiver and the removal of having a pecuniary interest**

The removal is subject to the following conditions:

- the member must disclose the interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 8.3 d) above, except where that member is the Chief Executive;
- in the case of a meeting of the Board of Directors:
 - the Director may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded; but
 - may not vote on any question with respect to it.

g) **Standards of Business Conduct**

All Trust staff and the Board of Directors must comply with;

- the Standards of Business Conduct and Disciplinary Policy (HRP01)
- the Anti-Fraud, Bribery and Corruption Policy
- the Managing Conflicts of Interest Policy (GP7)
- National guidance contained in 'Standards of Business Conduct for NHS staff', the Code of Conduct for NHS Managers and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.

h) **Interest of Officers in Contracts**

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 they or any person connected with them 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 Director of Corporate Affairs as soon as practicable.

An Officer should also declare to the Chief Executive any other employment or business or other relationship of theirs, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.

The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

i) **Canvassing of and Recommendations by Directors in Relation to Appointments**

Canvassing of Directors 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.

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

Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

j) **Relatives of Directors or Officers**

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 them liable to instant dismissal.

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

On appointment, Directors (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.

Where the relationship to a Director of the Trust is disclosed, the Standing Order headed 'Exclusion of Chairman and Directors in proceedings on account of pecuniary interest' shall apply.

8.4 Fit and Proper Persons Test (FPPT)

The Health and Social Care Act 2008 (Regulated Activities), Regulations 2014, sets out requirements for Directors of NHS providers to meet a fit and proper persons test.

a) Fit and Proper persons; Executive and Non-Executive Directors of the Board

- The regulations (Regulation 5) stipulate that individuals who have authority in organisations that deliver care are responsible for the overall quality and safety of that care and, as such, can be held accountable if standards of care do not meet legal requirements.
- The new regulation will bar individuals who are prevented from holding office (for example, under a directors' disqualification order) and significantly, exclude from office people who: 'have been responsible for, been privy to, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying out a regulated activity, or discharging any functions relating to any office or employment with a service provider'.

b) Regulation 5 criteria that a Director must meet. They must;

- Be of good character
- Have the qualifications, skills and experience necessary for the relevant position
- Be capable of undertaking the relevant position, after any reasonable adjustments under the Equality Act 2010
 - Not have been responsible for any misconduct or mismanagement in the course of any employment with a CQC registered provider
 - Not be prohibited from holding the relevant position under any other law e.g. under the Companies Act or the Charities Act

c) According to Regulation 5, a Director will be deemed 'unfit' if they;

- Have been sentenced to imprisonment for three months or more within the last five years, (CQC could remove this bar on application)
- Are an undischarged bankrupt
- Are the subject of a bankruptcy order or an interim bankruptcy order

- Have an undischarged arrangement with creditors
 - Are included on any barring list preventing them from working with children or vulnerable adults
- d) A Director will fail the 'good character' test, if they;
- Have been convicted in the United Kingdom of any offence or been convicted elsewhere of any offence which, if committed in any part of the United Kingdom, would constitute an offence
 - Have been erased, removed or struck-off a register of professionals maintained by a regulator of health or social care
- e) Enforcement

It will be the responsibility of the Chair, to ensure that all Directors meet the fitness test and do not meet any of the 'unfit' criteria.

The CQC will require the Chair of the Board of Directors to:

- Confirm that the fitness of all (new) directors has been assessed in line with the regulations
- Declare in writing that they are satisfied that they are fit and proper individuals for that role

Where a Director is appointed or in post that CQC considers to be unfit, CQC could impose a condition of registration requiring the removal of that Director. Breach of such a condition would itself be an offence and could result in cancellation of registration.

- f) Requirements for Declaring Compliance with the Fit and Proper Persons Test and applicability to Board Members;
- All existing Board members will be required to complete an annual declaration formally declaring compliance with the Fit and Proper Persons Test. Any Board members appointed subsequently should do so on appointment.
 - The Director of Corporate Affairs will maintain a register of returns for inspection by the Chairman and regulatory bodies as required.
 - All Executive and Non-Executive Directors will be subject to current (standard) Disclosure and Barring Service (DBS) checks. Any Board members appointed subsequently will be subject to a DBS check on appointment.
 - All existing Board members will be subject to a check of Companies House Directorships list and an Employers credit check. Any Board members appointed subsequently will be subject to such checks on appointment.

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

9.1 Custody of Seal

The common seal of the Trust shall be kept by the Director of Corporate Affairs on behalf of the Chief Executive in a secure place.

9.2 Sealing of Documents

- a) Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two Executive Directors duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.
- b) Before any building, engineering, property or capital document is sealed, it must be approved and signed by the Chief Finance Officer/Deputy Chief Executive (or an officer nominated by them) and authorised and counter-signed by the Chief Executive (or an officer nominated by them who shall not be within the originating Directorate).

9.3 Register of Sealing

- a) The Chief Executive shall keep a register in which they or the Director of Corporate Affairs shall enter a record of the sealing of every document.
- b) Entries in the register are to be consecutively numbered and signed by the officers who have approved and authorised the document and those who attested the seal.
- c) A report of all sealings shall be made to the next meeting of the Board of Directors. The report shall contain details of the seal number, a description of the document and the date of sealing.

9.4 Use of Seal - General guide

The following are examples of uses for the seal:

- a) All contracts for the purchase/lease of land and/or building
All contracts for capital works exceeding £100,000
All lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds beyond five years
Any other lease agreement where the total payable under the lease exceeds £100,000
Any contract or agreement with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000

9.5 Signature of documents

- a) Where the signature of 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.
- b) In land transactions, the signing of certain supporting documents will be delegated to Directors 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).

10. STANDARDS OF BUSINESS CONDUCT

All staff should comply with the Foundation Trust constitution, the Standards of Business Conduct and Disciplinary Policy (HRP01) and national guidance contained in NHS England 'Standards of Business Conduct Policy' published in 2017

11. MISCELLANEOUS

Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under the NHS Act 2006. 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 the NHS Act 2006.

**SCHEDULE OF MATTERS RESERVED
TO THE BOARD AND
SCHEME OF DELEGATION**

1. INTRODUCTION

This document forms part of the Trust's corporate governance manual, which details the regulatory framework for the business conduct of the Trust within which all Trust officers are expected to comply.

The aim is not to create bureaucracy but to protect the Trust's interests and to protect staff from any accusation that they have acted less than properly. It does this by ensuring that all staff, particularly budget managers and authorised signatories are aware of their authorities and responsibilities for compliance with the relevant procedures. The key documents in this framework include the following and should be read in conjunction with the Schedule of matters reserved to the Board and scheme of delegation;

- Standing Orders
- Standing Financial Instructions including Delegated Financial Limits

1.1 Schedule of matters reserved to the Board and Scheme of Delegation

The NHS Foundation Trust Code of Governance requires that there should be a formal schedule of matters specifically reserved for decision by the Board of Directors.

This document sets out the powers reserved to the Board of Directors and the Scheme of Delegation including financial limits and approval thresholds.

Notwithstanding any specific delegation, the Board of Directors remains accountable for all of its functions including those that have been delegated. Therefore the Board of Directors expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

1.2 Role of the Chief Executive

All powers of the Trust which have not been retained as reserved by the Board of Directors or delegated to a committee shall be exercised on behalf of the Board of Directors by the Chief Executive or other Executive Directors. The Scheme of Delegation identifies which functions the Chief Executive shall perform personally and which functions have been delegated to other directors or officers.

All powers delegated by the Chief Executive can be re-assumed by them should the need arise.

The Chief Executive is the Accountable Officer of the NHS Foundation Trust and is accountable to the Chief Executive of the NHS. -Caution over the Use of Delegated Powers

Powers are delegated to directors and officers on the understanding that they would not exercise delegated powers in a manner which in their judgement was likely to be a cause for public concern.

1.3 Absence of Directors or Officer to Whom Powers have been Delegated

In the absence of a director or officer, to whom powers have been delegated those powers shall be exercised by that director or officer's superior unless the Director has made provision of a nominated deputy to cover. If the Chief Executive is absent, powers delegated to them may be exercised by the Deputy Chief Executive.

SECTION 1 - DECISIONS RESERVED TO THE BOARD OF DIRECTORS

| RESERVED TO | | DECISIONS RESERVED TO THE BOARD OF DIRECTORS The Code of Conduct and Accountability which has been adopted by the Trust requires the Board of Directors to determine those matters on which decisions are reserved unto it. Board members share corporate responsibility for all decisions of the Board. |
|--------------------|----|---|
| Board of Directors | | General Enabling Provision |
| | 1 | The Board may determine any matter it wishes, for which it has delegated or statutory authority, in full session within its statutory powers. |
| Board of Directors | | Constitutional Powers |
| | 1 | To exercise all powers of an NHS foundation trust set out in the NHS Act 2006, subject to any restrictions in the Trust's Licence; enforcement undertakings given to regulators or as delegated in accordance with this Scheme of Delegation. (Constitution paragraph 4) |
| | 2 | Determine the composition of the Board of Directors (Constitution paragraph 9) |
| | 3 | Make available for inspection by members of the public the following: register of members; register of members of the Council of Governors; register of interest of members of the Council of Governors; register of members of the Board of Directors; register of interests of members of the Board of Directors; Constitution; Licence; latest Annual Accounts and Auditor's report on them; latest Annual Report and Forward Plan; and any notice issued by the NHS Improvement under Section 52 of the NHS Act 2006. |
| | 4 | Appoint the Returning Officer |
| | 5 | Approve payment of expenses and remuneration to Returning Officer |
| | 6 | Make available for inspection by members of the public statements of nominated candidates and nomination papers |
| | 7 | Approve and deliver to the Returning Officer a list of Members eligible to vote |
| | 8 | Retain documents relating to elections to the Council of Governors and make these available for inspection by members of the public, subject to any restriction in the Election Rules. |
| | 9 | Approve proposals to amend the Constitution which must be approved by the Council of Governors. |
| | 10 | Specify partnership organisations |
| | 11 | Receive and determine disputes under the Constitution, including disputes between the Council of Governors and the Board of Directors. |
| | 12 | Present Annual Accounts, any reports of the Auditor on them and the Annual Report at the Annual General Meeting. |
| | 13 | Prepare the Annual Report |
| | 14 | Prepare the Forward Plan |

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| Board of Directors | | Regulations and Control |
| | 1 | Review and amend, standing orders, a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. |
| | 2 | Suspend Standing Orders in accordance with SO3.18 (Annex 7 & 8 Constitution) |
| | 3 | Vary or amend the Standing Orders in accordance with SO3.19 (Annex 7 & 8 Constitution) |
| | 4 | Ratify any urgent decisions taken by the Chairman and Chief Executive in accordance with SO6.2 (Annex 8 Constitution) |
| | 5 | Approve a scheme of delegation of powers from the Board to committees |
| | 6 | Require and receive the declaration of Board members' interests which may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration |
| | 7 | Require and receive the declaration of officers' interests that may conflict with those of the Trust |
| | 8 | Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to action appropriately |
| | 9 | Confirm the recommendations of the Trust's committees where the committees do not have executive powers |
| | 10 | Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board |
| | 11 | Authorise use of the seal |
| | 12 | Discipline members of the Board or employees who are in breach of statutory requirements or SOs |
| | 13 | Approve any urgent decisions taken by the Chairman of the Trust and Chief Executive for ratification by the Trust in public session in accordance with SOs |
| | 14 | Approve arrangements for dealing with complaints |
| | 15 | Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto |
| | 16 | Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property |
| | 17 | Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO6.6 |
| | | Appointments/Dismissal |
| | | |
| | 1 | (Non-Executive Directors) Appoint the Chief Executive |
| | 2 | Appoint and dismiss other committees (and individual members) that are directly accountable to the Board |
| | 3 | Confirm appointment of members of any committee of the Trust as representatives on outside bodies |

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| | 4 | Appoint, appraise, and if necessary dismiss Executive Directors (subject to SO2.6) |
| | 5 | Appoint appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders) |
| | 6 | Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration Committee |
| | | Strategy, Integrated Plan and Budget |
| | 1 | Define the strategic aims and objectives of the Trust |
| | 2 | Identify the key strategic risks, evaluate them and ensure adequate responses are in place and are monitored |
| | 3 | Approve the Trust's policies and procedures for the management of risk |
| | 4 | Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust or its constituent practices, having regard to any guidance issued by the Secretary of State |
| | 5 | Approve the capital programme |
| | 6 | Approve budgets (in accordance with delegated financial limits) |
| | 7 | Approve annually Trust's proposed organisational development proposals |
| | 8 | Ratify proposals for acquisition, disposal or change of use of land and/or buildings |
| | 9 | Approve PFI proposals |
| | 10 | Approve the opening of bank accounts |
| | 11 | Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board |
| | 12 | Approve individual compensation payments |
| | 13 | Approve proposals for action on litigation against or on behalf of the Trust |
| | 14 | Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over [£250,000] over a 3-year period or the period of the contract |
| | 15 | Approve litigation claims over £500,000 (via Quality & Safety Committee) |
| | | Policy Determination <i>The approval of Trust management policies including;</i> |
| | 1 | Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff. |
| | 2 | Approve procedure for Managing Conflicts of Interests including the declaration of hospitality and sponsorship |
| | 3 | Ensure proper and widely publicised procedures for voicing complaints, concerns about maladministration, |

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| | | breaches of code of conduct and other ethical concerns |
| | | Audit |
| | 1 | Receive the annual management letter from the external auditors, taking account of the advice, where appropriate, of the Audit Committee |
| | 2 | Receive an annual report from the internal auditor and agree action on recommendations where appropriate of the Audit Committee |
| | | Monitoring |
| | 1 | Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated |
| | 2 | Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. |
| | 3 | Receive reports from the Director of Finance and on financial performance against budget and the Annual Plan. Receive reports from the Director of Finance and Resources on actual and forecast income from contract. |

SECTION 2 - DECISIONS / DUTIES DELEGATED BY THE BOARD TO COMMITTEES

| RESERVED TO | DECISIONS / DUTIES DELEGATED BY THE BOARD TO COMMITTEES |
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| Quality & Safety Committee | <p>The committee shall;</p> <ul style="list-style-type: none"> • Develop and monitor the implementation of the organisations Quality Strategy • Provide assurance to the Board of Directors that the Quality Strategy is being driven throughout the organisation • Develop and monitor the implementation of the organisations Risk Strategy • Provide assurance to the Board of Directors that the Risk Strategy is being driven throughout the organisation via the Risk Management Framework • Receive committee specific organisational risks and progression flagged risks as per the Risk Management Framework and as escalated by the Integrated Performance Group and/or Divisional Governance Group. • To consider the impact of organisational risks on the Board Assurance Framework • Provide scrutiny and analysis of the organisations quality and risk assurance processes by receiving the monthly Quality & Patient Experience Report and reporting by exception to the Board • Monitor the achievement of the organisations Commissioning for Quality and Innovation targets through the data presented in the monthly Quality Report • Scrutinise and take action on any clinical audit reports in which clinical care is not reaching the expected thresholds and escalating to board as appropriate. • Review the annual Quality Report and Account ahead of approval by the Audit Committee and publication on NHS Choices • Review assurance reports on compliance with the CQC Fundamental Standards of Quality and Safety • Receive six monthly reports in relation to the organisations Information Governance Toolkit submissions and report by exception to the Board of Directors • Approve all general policies which relate to: <ol style="list-style-type: none"> 1. Quality 2. Risk Management 3. Information Governance 4. Infection Prevention and Control 5. Safeguarding • Receive assurance of Wirral Community NHS Foundation Trust's response to reports from external agencies relevant to integrated governance, including the Care Quality Commission, Health and Safety Executive and the coroner and report by exception to the Board of Directors |

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| | <ul style="list-style-type: none"> • Review the outcomes and action plans associated with all Serious Untoward Incidents to ensure that learning is implemented and shared across Wirral Community NHS Trust. • Receive new claim reports from the NHS Resolution and provide assurance to the board that the claims are managed in accordance with the NHS Resolution Claims Management Process and Wirral Community NHS Foundation Trust Claims Handling Policy. • Review the findings and monitor the resulting action plan from any internal audit reviews which relate to quality and governance. • Contribute to the Annual Governance Statement for review by the Audit Committee and approval by the Board of Directors • Review instances where the statutory Duty of Candour requirements are applied and where there may be breaches of those requirements ensuring action plans are put in place to address the situation. • To oversee any impact on quality or patient safety of any work stream or activity within the Transformation Programme via the monthly Quality & Patient Experience Report and the Risk Report. • To consider evidence in relation to the 'Well-Led Framework' associated with the work of the committee to demonstrate the trust's on-going compliance • To receive reports and assurances in respect of the systems and processes in place to support the effective implementation of the Raising Concerns Policy • To receive the annual self-assessment of EPPR standards prior to Board approval of the self-certification return to NHSE. <p>In performing its duties, the Committee will provide assurance to the Board of Directors that all areas of equality and diversity practices are being observed in order that it remains compliant with its public sector equality duty. The committee will also progress any actions devolved to it by Board of Directors.</p> |
| Finance & Performance Committee | <p>The committee shall;</p> <p>Financial management</p> <ul style="list-style-type: none"> • Review the trust's annual financial plan and targets, and performance against them before submission to the Board of Directors • Ensure delivery of financial targets by ensuring a comprehensive financial management control framework is in place • Receive monthly reports on the trust's financial and performance management position and review the robustness of the risk assessments underpinning forecasts and, where appropriate, any plans for corrective action • Receive regular updates in relation to Service Line Reporting to triangulate with service performance data • Monitor the detailed monthly income and expenditure position • Oversee the CIP governance arrangements and monitor reports on the progress of CIP delivery to |

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| | <p>provide assurance to the Board of Directors that this is being driven throughout the organisation</p> <ul style="list-style-type: none"> • Oversee proactive and forward looking action in forecasting both financial and non-financial performance • Scrutinise and assess financial business cases escalated to the committee according to the Scheme of Reservation & Delegation <p>Performance</p> <ul style="list-style-type: none"> • Ensure delivery of performance targets by ensuring a comprehensive performance management control framework is in place • Receive monthly reports on detailed service performance and provide assurance that appropriate measures are in place to address under and over-performance and, where appropriate any plans for corrective action • Monitor commercial performance including SLAs and sub-contracting arrangements • Receive assurance on the management of contract queries to commissioners • Approve and monitor the implementation of supporting strategies (e.g. Estates Strategy, Procurement Strategy, IM&T Strategy, Business Intelligence Strategy and Commercial Development Strategy) • Receive committee specific organisational risks and progression flagged risks as per the Risk Management Framework and as escalated by the Integrated Performance Group and/or Divisional Governance Group • Consider the impact of organisational risks on the Board Assurance Framework • Consider evidence in relation to the 'Well-Led Governance Framework' associated with the work of the committee to demonstrate the trust's on-going compliance <p>In performing its duties, the Committee will have due regard to the Trust's commitment to equality, diversity and human rights as well as compliance with the Equalities Act 2010 and other legislation requirements.</p> |
| Education & Workforce Committee | <p>The committee shall;</p> <ul style="list-style-type: none"> • Report to the Board of Directors on workforce and education matters • Consider and make decisions on workforce strategy, organisational development and learning and development and monitor their effectiveness • Receive assurance on the development of the future workforce to meet the trust's strategic objectives and approve and monitor all plans for the education and training of the workforce • Review and monitor the workforce resources of the Trust to ensure their effective deployment, including the monitoring of workforce plans • Review, approve and monitor all Human Resources policies to support the effective management of the workforce • Monitor the wellbeing of the organisation and its workforce and ensure appropriate supporting strategies |

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| | <p>are in place</p> <ul style="list-style-type: none"> • Oversee and support the implementation of the Leadership for All framework within all areas of the organisation • Scrutinise and continually monitor the performance of the Trust in relation to key workforce indicators • Receive committee specific organisational risks and progression flagged risks as per the Risk Management Framework and as escalated by the Integrated Performance Group and/or Divisional Governance Group. • Consider the impact of organisational risks on the Board Assurance Framework. • To receive updates on the work of the Raising Concerns Freedom To Speak Up Group in the management of concerns when raised by staff across the organisation. <p>In performing its duties, the Committee will provide assurance to the Trust Board that all areas of equality and diversity practices are being observed in order that it remains compliant with its public sector equality duty. The Committee will also progress any actions devolved to it by the Trust Board.</p> |
| Audit Committee | <p>The committee shall;</p> <ul style="list-style-type: none"> • Seek an independent review of the work of the relevant committees to enable it 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 • Approve (based on delegated authority from the Board of Directors) approve the Annual Report, Financial Statements and Annual Governance Statement & Quality Report before submission to the regulators and Parliament • Review the adequacy and effectiveness of; <ul style="list-style-type: none"> • All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board • The underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements • The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification • The Corporate Governance Manual, Standing Orders, Standing Financial Instructions and Scheme of Delegation |

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| | <ul style="list-style-type: none"> • The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud and Security Management Service. • Ensure that there is an effective internal function that meets mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board • Review the work and findings of the external auditors and consider the implications and management's responses to their work • Satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall approve the counter fraud plan and review the outcomes of counter fraud work • In accordance with the UK Code, the Audit Committee shall remain aware of the arrangements and processes in place by which staff of the organisation may in confidence, raise concerns about possible improprieties in matters of financial reporting or others matters. The Audit Committee shall acknowledge the work and oversight of the Board of Directors and the Quality & Safety Committee in the application of the Trust's Raising Concerns Policy (GP51). The committee will receive the quarterly data set submitted to the national Freedom To Speak Up Guardian for assurance. <p>In performing its duties, the committee will have due regard to the Trust's commitment to equality, diversity and human rights as well as compliance with the Equality Act 2010 and other legislation requirements.</p> |
| Remuneration & Terms of Service Committee | <p>The committee shall;</p> <ul style="list-style-type: none"> • Ensure that the staff identified under Paragraph 20 are fairly rewarded for their individual contribution to the organisation, having proper regard for the organisation's circumstances and performance and to the provisions of any national arrangements where appropriate, including the Very Senior Manager Pay Framework • Determine, and agree with other Non-Executive Directors, the framework or policy for the Chief Executive and Executive Directors paid on the Very Senior Managers Pay Framework • Within the terms of the agreed policy, determine the total individual remuneration packages of the Chief Executive and Executive Directors paid on the Very Senior Managers Pay Framework including, where appropriate, bonuses and incentive payments; to have regard as required to any national policy on Very Senior Managers' pay • Determine the policy for and scope of termination/redundancy payments whilst ensuring they are in accordance with national guidelines • Determine any major changes in remuneration structures within the Trust • Determine policy on Trust specific terms and conditions of service • Determine the expenses policy for the Trust • Determine the relocation policy for the Trust |

Table of Delegated Authority

Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The '**Delegated to**' authority is in accordance with the: Standing Orders and Standing Financial Instructions. The '**Operational Responsibility**' shown below is the lowest level to which authority is delegated.

Table A - Delegated Authority and Delegated Matters

Table B - Delegated Financial Limits

Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Managers as appropriate.

| DELEGATED MATTER | DELEGATED TO ① | OPERATIONAL RESPONSIBILITY |
|--|---|--|
| 1. Standing Orders/Standing Financial Instructions | | |
| a) Final authority in interpretation of Standing Orders | Chairman | Chairman |
| b) Notifying Directors and employees of their responsibilities within the Standing Orders and Standing Financial Instructions and ensuring that they understand the responsibilities | Chief Executive | Director of Corporate Affairs/Chief Finance Officer |
| c) Responsibility for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming with Standing Orders, Financial instructions and financial procedures | Chief Executive | All Directors and Employees |
| d) Suspension of Standing Orders | Board of Directors | Board of Directors |
| e) Review suspension of Standing Orders | Audit Committee | Audit Committee |
| f) Variation or amendment to Standing Orders | Board of Directors | Board of Directors |
| g) Emergency powers relating to the authorities retained by the Board of Directors | Chair and Chief Executive with two Non-Executives | Chair and Chief Executive with two Non-Executives |
| h) Disclosure of non-compliance with Standing Orders to the Chief Executive (report to the Board of Directors) | All staff | All staff |
| i) Disclosure of non-compliance with SFIs to the Chief Finance Officer and Development (report to the Audit Committee) | All staff | All staff |
| j) Advice on interpretation or application of SFIs and this Scheme of Delegation | Chief Finance Officer | Director of Corporate Affairs/Deputy Director of Finance & Business Intelligence |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
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| 1. Audit Arrangements | | |
| a) Advise the Board on Internal and External Audit Services | Audit Committee | Chief Finance Officer |
| b) Review the establishment and maintenance of an effective system of integrated governance, internal control and risk management | Board of Directors | Audit Committee |
| c) Review, appraise and report in accordance with Public Sector Internal Audit Standards and best practice | Audit Committee | Internal Audit |
| d) Review the annual report and annual financial statements | Audit Committee/ Council of Governors | Audit Committee / External Audit |
| e) Ensure cost-effective audit service | Audit Committee/ Council of Governors | Chief Finance Officer |
| f) Implement recommendations | Chief Executive | Relevant Officers |
| 2. Bank/GBS Accounts/Cash (Excluding Charitable Fund (Funds Held on Trust) Accounts) | | |
| a) Operation: <ul style="list-style-type: none"> • Managing banking arrangements and operation of bank accounts (Board of Directors approves arrangements) • Opening bank accounts • Authorisation of transfers between Trust bank accounts • Approve and apply arrangements for the electronic transfer of funds • Authorisation of: <ul style="list-style-type: none"> ○ GBS schedules ○ BACS schedules ○ Automated cheque schedules ○ Manual cheques | Chief Finance Officer Chief Finance Officer Chief Finance Officer Chief Finance Officer Chief Finance Officer | To be completed in accordance with bank mandate/internal procedures To be completed in accordance with bank mandate/internal procedures |
| b) Petty Cash | Chief Finance Officer | Refer to Delegated Financial Limits |
| 3. Capital Investment | | |
| a) Programme: <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 business plans / Service development Strategy • Preparation of Capital Investment Programme • Preparation of a business case • Financial monitoring and reporting on all capital scheme expenditure including variations to contract • Authorisation of capital requisitions • Assessing the requirements for the operation of the construction industry | Chief Executive Chief Executive Chief Finance Officer Chief Finance Officer Chief Executive Chief Financial Officer | Chief Finance Officer Chief Finance Officer Relevant Head of Service/ Senior Manager / Director (with advice from Senior Finance Staff) Deputy Director of Finance & Business Intelligence Refer to Delegated Financial Limits Chief Finance Officer |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|---|--|--|
| taxation deduction scheme. | | |
| <ul style="list-style-type: none"> • 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 • Issue procedures to support: <ul style="list-style-type: none"> ○ capital investment ○ staged payments • Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes. • Issuing the capital scheme project manager with specific authority to commit capital, proceed / accept tenders in accordance with the SO's and SFI's <p>b) Private Finance:</p> <ul style="list-style-type: none"> • Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector. Proposal to use PFI must be specifically agreed by the Board of Directors <p>c) Leases (property and equipment)</p> <ul style="list-style-type: none"> • Granting and termination of leases with Annual rent | <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> | <p>Deputy Director of Finance & Business Intelligence</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Refer to Delegated Financial Limits</p> |
| 4. Clinical Audit | Chief Executive | Director of Nursing & Quality Improvement |
| 5. Commercial Sponsorship | | |
| Agreement to proposal | Chief Executive | Chief Executive / Board of Directors |
| 6. Commissioning and Service Agreements | | |
| a) Negotiation of Community Contract and Non Commercial Contracts having regard to quality, cost effectiveness and Trust objectives | Chief Executive | Chief Finance Officer/Chief Operating Officer /Director of Nursing & Quality Improvement |
| b) Quantifying and monitoring of both contract and non-contracted activity, reporting actual and forecast income on services provided | Chief Finance Officer/ Chief Operating Officer | Deputy Director of Finance & Business Intelligence/Deputy Director of Operations |
| c) Costing SLA/Contract and Non Commercial Contracts | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| d) Reference costing/Payment by Results | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| e) Ad hoc costing relating to changes in activity, developments, business cases and bids for funding | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| f) Ensure the Trust enters into suitable contracts with service commissioners for the provision of NHS services | Chief Executive | Chief Operating Officer |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
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| g) Sound system of financial monitoring to ensure effective accounting of expenditure under the contract. Including suitable audit trail but maintaining patient confidentiality. | Chief Finance Officer | Deputy Director of Finance & Business Intelligence/Divisional Managers |
| 7. Complaints (Patients & Relatives) | | |
| a) Overall responsibility for ensuring that all complaints are dealt with effectively | Chief Executive | Director of Nursing & Quality Improvement |
| b) Responsibilities for ensuring complaints relating to divisions / departments are investigated thoroughly | Chief Executive | Chief Operating Officer /Divisional Manager |
| c) Medico - Legal Complaints Coordination of their management | Chief Executive | Director of Nursing & Quality Improvement |
| 8. Confidential Information | | |
| a) Review of the Trust's compliance with the Caldicott report on protecting patients' confidentiality in the NHS | Chief Executive | Caldicott Guardian |
| b) Freedom of Information Act compliance code | Chief Executive | Director of Nursing & Quality Improvement |
| 9. Data Protection Act | | |
| Review of Trust's compliance | Chief Executive | Director of Nursing & Quality Improvement |
| 10. Declaration of Interest | | |
| a) Maintaining a register of interests | Chief Executive | Director of Corporate Affairs |
| b) Declaring relevant and material interest | Board of Directors | Board of Directors/ Senior Managers/ All staff |
| 11. Disposal and Condemnations | | |
| a) Items obsolete, redundant, irreparable or cannot be repaired cost effectively | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| b) Develop arrangements for the sale of assets | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| 12. Environmental Regulations | | |
| Review of compliance with environmental regulations, for example those relating to clean air and waste disposal | Chief Executive | Chief Finance Officer |
| 13. Financial Planning / Budgetary Responsibility | | |
| a) Setting: <ul style="list-style-type: none"> • Submit budgets to the Trust Board • Submit to Board financial estimates and forecasts • Compile and submit to the Board a Business Plan, which takes into account financial targets and forecast limits of available resources. The Business/ Financial Plan will contain: <ul style="list-style-type: none"> ○ a statement of the significant assumptions on which the plan is based ○ details of major changes in | Chief Finance Officer Chief Finance Officer Chief Finance Officer/ Chief Operating Officer | Deputy Director of Finance & Business Intelligence Deputy Director of Finance & Business Intelligence Deputy Director of Finance & Business Intelligence/Deputy Director of Operations |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
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| workload, delivery of services or resources required to achieve the plan. | | |
| <p>b) Monitoring:</p> <ul style="list-style-type: none"> • Devise and maintain systems of budgetary control • Monitor performance against budget • Delegate budgets to budget holders • Ensuring adequate training is delivered to budget holders to facilitate their management of the allocated budget. • Submit in accordance with the NHSI's requirements for financial monitoring returns • Identify and implement cost improvements and income generation activities in line with the Business Plan <p>c) Preparation of:</p> <ul style="list-style-type: none"> • Annual Accounts • Annual Report • Quality Accounts/ Report <p>d) Budget Responsibilities Ensure that</p> <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 Chief Executive other than those provided for within available resources and manpower establishment <p>e) Authorisation of Virement:</p> | <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Executive</p> | <p>Deputy Director of Finance & Business Intelligence</p> <p>Finance Managers / Budget Holders</p> <p>Deputy Director of Finance & Business Intelligence</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Operating Officer</p> <p>Chief Financial Accountant</p> <p>Chief Financial Accountant//Director of Corporate Affairs</p> <p>Director of Nursing & Quality Improvement</p> <p>Budget Holders</p> <p>Refer to Delegated Financial Limits</p> |
| 14. Financial Procedures and Systems | | |
| Maintenance & Update on Trust Financial Procedures | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| 15. Fire precautions • Ensure that the Fire Precautions and prevention policies and procedures are adequate and that fire safety and integrity of the estate is intact | Chief Finance Officer | Heads of Estates |
| 16. Fixed Assets | | |
| a) Maintenance of asset register including asset identification and monitoring | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| b) Ensuring arrangements for financial control and financial audit of building and engineering contracts and property transactions. | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
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| c) Calculate and pay capital charges in accordance with the requirements of the DOH | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| d) Responsibility for security of Trust's assets including notifying discrepancies to the Chief Finance Officer and reporting losses in accordance with Trust's procedures | Chief Finance Officer | All staff |
| 17. Fraud (See also 26, 36) | | |
| a) Monitor and ensure compliance with Trust Contractual requirements on fraud and corruption including the appointment of the Local Counter Fraud Specialist | Chief Executive and Chief Finance Officer | Local Counter Fraud Specialist. |
| b) Notify NHS Counter Fraud Authorities and External Audit of all suspected Frauds | Chief Finance Officer | Local Counter Fraud Specialist. |
| 18. Funds Held on Trust (Charitable and Non Charitable Funds) | | |
| a) Management: <ul style="list-style-type: none"> Funds held on behalf of the trust are managed appropriately Maintenance of authorised signatory list of nominated fund holders Expenditure Limits <ul style="list-style-type: none"> Over 5k Below 5k Systems for dealing with Donations | Chief Finance Officer Chief Finance Officer | Chief Financial Accountant Chief Executive Divisional Managers/Senior Managers Chief Financial Accountant |
| 19. Health and Safety | | |
| Review of all statutory compliance with legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations | Chief Executive | Chief Finance Officer |
| 20. Hospitality/Gifts | | |
| a) Keeping of hospitality register | Chief Executive | Director of Corporate Affairs |
| b) Applies to both individual and collective hospitality receipt items. See Delegated Financial Limits and Managing Conflicts of Interest Policy (GP7). | | All staff in accordance with Managing Conflicts of Interest Policy (GP7). |
| 21. Infectious Diseases & Notifiable Outbreaks | | |
| | Chief Executive | Director of Nursing & Quality Improvement. |
| 22. Information Management & Technology | | |
| Financial Systems <ul style="list-style-type: none"> Developing financial systems in accordance with the Trust's IM&T Strategy Implementing new systems and ensuring they are developed in a controlled manner and thoroughly tested Seeking third party assurances regarding financial systems operated externally | Chief Finance Officer | Deputy Director of Finance & Business Intelligence/ Deputy Director of IM&T |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
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| <ul style="list-style-type: none"> Ensure that contracts for computer services for financial applications define responsibility re security, privacy, accuracy, completeness and timeliness of data during processing and storage. | Chief Finance Officer | Deputy Director of IM&T |
| 23. Information Governance | | |
| <ul style="list-style-type: none"> Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place. Undertake duties and responsibilities of the Senior Information Risk Officer (SIRO). Ensure compliance with information governance requirements and annual completion of IG Toolkit | <p>Chief Finance Officer (SIRO)</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Deputy Director of IM&T</p> <p>Chief Finance Officer</p> <p>Head of Quality & Patient Safety</p> |
| 24. Legal Proceedings | | |
| <p>a) Engagement of Trust's Solicitors / Legal Advisors</p> <p>b) Approve and sign all documents which will be necessary in legal proceedings, i.e. executed as a deed</p> <p>c) Sign on behalf of the Trust any agreement or document not requested to be executed as a deed</p> | <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> | <p>Director of Human Resources and Organisational Development</p> <p>All Directors</p> <p>All Directors</p> |
| 25. Losses, Write-off & Compensation | | |
| <p>a) Prepare procedures for recording and accounting for condemnations, losses and special payments including preparation of a Fraud Response Plan that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.</p> <p><u>Losses</u></p> <p>For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial the Chief Finance Officer must immediately notify:</p> <ul style="list-style-type: none"> The Board of Directors The External Auditor Counter Fraud and Local Security Management Services <p>Writing off of all losses and special payments in accordance with the Scheme of Reservation and Delegation</p> <p>Authority to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.</p> <p>Consider whether any insurance claim can be made.</p> | <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|--|---|---|
| <p><u>Special Payments</u> Compensation payments by Court Order</p> <p><u>Ex Gratia Payments</u></p> <ul style="list-style-type: none"> • To patients/staff for loss of personal effects • For clinical negligence after legal advice • For personal injury after legal advice • Other ex gratia payments. <p>Maintain a Losses and Special Payments Register in which write-off action is recorded. This should be maintained by the Finance Department and be available for inspection.</p> <p>b) A report of all losses and special payments must be reported to the Audit Committee</p> | <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Above Excess - NHS Resolve Below Excess - Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Deputy Director of Finance & Business Intelligence</p> <p>Deputy Director of Finance & Business Intelligence</p> |
| <p>26. Meetings</p> <p>a) Calling meetings of the Trust Board</p> <p>b) Chair all Trust Board meetings and associated responsibilities</p> | <p>Chairman</p> <p>Chairman</p> | <p>Chairman</p> <p>Chairman</p> |
| <p>27. Medical</p> <p>a) Clinical Governance arrangements</p> <p>b) Medical Leadership</p> <p>c) Programmes of medical education</p> <p>d) Medical staffing plans</p> <p>e) Medical Research</p> | <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> | <p>Director of Nursing & Quality Improvement/Medical Director</p> <p>Medical Director</p> <p>Medical Director</p> <p>Medical Director</p> <p>Medical Director</p> |
| <p>28. Non Pay Expenditure</p> <p>a) Maintenance of a list of managers authorised to place requisitions/orders and accept goods in accordance with Delegated Financial Limits</p> <p>b) Prepare procedural instructions where not already provided in the Scheme of Reservation and Delegation or procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds.</p> <p>c) Non-Pay Expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers of virement. (Subject to the limits above in (a).</p> <p>d) Develop systems for the payment of accounts</p> <p>e) Prompt payment of accounts in accordance with BPPC</p> <p>f) Approval and financial management and procedure arrangements for prepayments outside normal commercial arrangements</p> | <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Head of Procurement</p> <p>Head of Procurement</p> <p>Refer to Delegated Financial Limits</p> <p>Chief Financial Accountant</p> <p>Chief Financial Accountant</p> <p>Refer To Delegated Financial Limits</p> |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|--|---|--|
| g) Approve joint finance arrangements with local authorities and voluntary bodies h) Financial limits for ordering/ requisitioning goods and services | Chief Finance Officer Chief Finance Officer | Deputy Director of Finance & Business Intelligence Head of Procurement |
| 29. Nursing | | |
| a) Compliance with statutory and regulatory arrangements relating to professional nursing and midwifery practice b) Matters involving individual professional competence of nursing staff c) Compliance with professional training and development of nursing staff d) Quality assurance of nursing processes | Chief Executive Chief Executive Chief Executive Chief Executive | Director of Nursing & Quality Improvement Director of Nursing & Quality Improvement Director of Nursing & Quality Improvement Director of Nursing & Quality Improvement |
| 30. Personnel & Pay | | |
| a) Nomination of officers to enter into contracts of employment regarding staff, agency staff or consultancy service contracts b) Develop human resource policies and strategies for approval by the Board including training, industrial relations. c) Authority to fill funded post on the establishment with permanent staff. d) The granting of additional increments to staff within budget e) All requests for re-grading shall be dealt with in accordance with Trust Procedure f) Establishments <ul style="list-style-type: none"> • Additional staff to the agreed establishment with specifically allocated finance • Additional staff to the agreed establishment without specifically allocated finance • Self financing changes to an establishment g) Pay <ul style="list-style-type: none"> • Presentation of proposals to the Trust Board for the setting of remuneration and conditions of service for those staff not covered by the Remuneration Committee. | Chief Executive Director of Human Resources & Organisational Development Director of Human Resources & Organisational Development Director of Human Resources & Organisational Development Director of Human Resources & Organisational Development Chief Finance Officer Chief Executive Chief Finance Officer Chief Executive | Director of Human Resources & Organisational Development/ Deputy Director of Human Resources & Organisational Development Deputy Director of Human Resources & Organisational Development Divisional Managers in accordance with Trust Policy Deputy Director of Human Resources & Organisational Development Deputy Director of Human Resources & Organisational Development Budget holders/Deputy Director of Finance & Business Intelligence Chief Finance Officer Chief Finance Officer Director of Human Resources & Organisational Development |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|--|--|---|
| <ul style="list-style-type: none"> • Authority to complete standing data forms effecting pay, new starters, variations and leavers • Authority to complete and authorise positive reporting forms (SVLS) • Authority to authorise overtime • Authority to authorise travel & subsistence expenses | <p>Director of-Human Resources and Organisational Development</p> <p>Director of-Human Resources and Organisational Development</p> <p>Director of-Human Resources and Organisational Development</p> <p>Chief Finance Officer</p> | <p>Deputy Director of Human Resources and Organisational Development/Senior Managers</p> <p>Deputy Director of Human Resources and Organisational Development/Budget Holders/ Senior Managers</p> <p>Budget Holders/Senior Managers</p> <p>Budget Holders</p> |
| <p>h) Leave (Note entitlement may be taken in hours)</p> | | <p><i>Refer to Annual Leave & Bank Holiday Policy</i></p> |
| <p><u>Annual Leave</u></p> | | |
| <ul style="list-style-type: none"> • Approval of annual leave | <p>Director of Human Resources & Organisational Development</p> | <p>Divisional Manager / Service Leads (as per divisional procedure)</p> |
| <ul style="list-style-type: none"> • Annual leave - approval of carry over (applies to employees on adoption leave, paternity leave, maternity leave and long-term sickness absence only) | <p>Director of Human Resources & Organisational Development</p> | <p>Divisional Manager / Service Leads (as per divisional procedure)</p> |
| <p><u>Special Leave</u></p> | | |
| <ul style="list-style-type: none"> • Compassionate leave | <p>Director of Human Resources & Organisational Development</p> | <p>Deputy Director of Human Resources & Organisational Development</p> |
| <ul style="list-style-type: none"> • Special leave arrangements for domestic/personal/family reasons (to be applied in accordance with Trust Policy) <ul style="list-style-type: none"> ○ paternity leave ○ carers leave ○ adoption leave | | <p>Divisional Managers/Service Leads</p> <p>Divisional Managers/Service Leads</p> |
| <ul style="list-style-type: none"> • Special Leave - this includes <ul style="list-style-type: none"> ○ Jury Service, Armed Services, School Governor (to be applied in accordance with Trust Policy) ○ Leave without pay ○ Medical Staff Leave of Absence - paid and unpaid ○ Time off in lieu ○ Maternity Leave - paid and unpaid | | <p>Divisional Managers/Service Leads</p> <p>Divisional Managers/Service Leads</p> <p>Divisional Managers/Service Leads</p> <p>Divisional Managers/Service Leads</p> <p>Heads of Service/ Senior Managers</p> <p>Refer to Maternity, Paternity and Adoption Leave policy</p> |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|---|---|---|
| <p><u>Sick Leave</u></p> <ul style="list-style-type: none"> • Extension of sick leave on pay • Return to work part-time on full pay to assist recovery | <p>Director of Human Resources & Organisational Development</p> | <p>Director of Human Resources and Organisational Development</p> <p>Director of Human Resources and Organisational Development</p> |
| <p><u>Study Leave</u></p> <ul style="list-style-type: none"> • Study leave outside the UK • Medical staff study leave (UK) <ul style="list-style-type: none"> ○ Consultant / Non Career Grade ○ Career Grade • All other study leave (UK) | <p>Chief Executive</p> <p>Chief Executive</p> <p>Executive Directors</p> | <p>Director of Nursing and Quality Improvement</p> <p>Medical Director</p> <p>Divisional Managers/Service Leads/Budget Holders</p> |
| <p>i) Removal Expenses, Excess Rent and House Purchases</p> <ul style="list-style-type: none"> • All staff (agreed at interview) maximum £6,000 • Senior Medical Staff maximum £8,000 • Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at interview) | <p>Chief Finance Officer</p> | <p>Director of Human Resources and Organisational Development</p> <p>Refer to Delegated Financial Limits</p> |
| <p>j) Grievance Procedure</p> <p>All grievance cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of the Director of HR and Organisational Development must be sought when the grievance reaches the level of Divisional Managers/Service Leads</p> | <p>Director of Human Resources & Organisational Development</p> | <p>Deputy Director of Human Resources and Organisational Development</p> |
| <p>k) Authorised Car Users</p> <ul style="list-style-type: none"> • Leased car | <p>Chief Executive</p> | <p>Chief Finance Officer</p> |
| <p>l) Mobile Phone Users / iPads</p> | <p>Chief Finance Officer</p> | <p>Deputy Director of IM&T/Budget holders</p> |
| <p>m) Renewal of Fixed Term Contract</p> | <p>Director of Human Resources & Organisational Development</p> | <p>Budget Holder with advice from Chief Finance Officer/Director of Human Resources and Organisational Development</p> |
| <p>n) Staff Retirement Policy</p> <ul style="list-style-type: none"> • Authorisation of extensions of contract beyond normal retirement age in exceptional circumstances • Authorisation of return to work in part time capacity under the flexible retirement scheme | <p>Director of Human Resources & Organisational Development</p> <p>Director of Human Resources & Organisational Development</p> | <p>Divisional Managers/Service Leads</p> <p>Divisional Manager/Service Leads</p> |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|---|---|--|
| o) Redundancy | Chief Executive | Director of Human Resources & Organisational Development/Executive Directors |
| p) Ill Health Retirement Decision to pursue retirement on the grounds of ill-health following advice from the Occupational Health Department. | Chief Executive | Director of Human Resources & Organisational Development/Executive Directors |
| q) Disciplinary Procedure (excluding Executive Directors) | Chief Executive | To be applied in accordance with the Trust's Managing Performance Policy (HRP24) and Standards of Conduct & Disciplinary policy (HRP01) |
| r) Ensure that all employees are issued with a contract of employment in a form approved by the Board of Directors and which complies with employment legislation. | Director of Human Resources & Organisational Development | Head of Human Resources/Divisional Managers |
| s) Engagement of staff not on the establishment <ul style="list-style-type: none"> • Management Consultants • Booking of bank staff <ul style="list-style-type: none"> ○ nursing ○ other • Booking of agency staff <ul style="list-style-type: none"> ○ nursing ○ other | <ul style="list-style-type: none"> Chief Finance Officer Director of Nursing & Quality Improvement Chief Operating Officer/Executive Directors Director of Nursing & Quality Improvement Chief Operating Officer/Executive Directors | <ul style="list-style-type: none"> Divisional Manager/Service Leads Divisional Manager/Service Leads Divisional Manager/Service Leads Divisional Manager/Service Leads |
| 31. Quotation, Tendering & Contract Procedures | | |
| a) Services: <ul style="list-style-type: none"> • Best value for money is demonstrated for all services provided under contract or in-house • Nominate officers to oversee and manage the contract on behalf of the Trust. b) Competitive Tenders: <ul style="list-style-type: none"> • Authorisation Limits • Maintain a register to show each set of competitive tender invitations despatched • Receipt and custody of tenders prior to opening • Opening Tenders • Decide if late tenders should be considered | <ul style="list-style-type: none"> Chief Finance Officer Chief Finance Officer Chief Executive Chief Finance Officer Chief Executive Chief Executive Chief Executive | <ul style="list-style-type: none"> Head of Procurement Head of Procurement Refer to Delegated Financial Limits Head of Procurement Chief Finance Officer Two officers from the approved list as authorised by the Audit Committee Chief Executive Officer |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|--|---|---|
| <ul style="list-style-type: none"> • Ensure that appropriate checks are carried out as to the technical and financial capability of the firms invited to tender or quote c) Quotations d) Waiving the requirement to request <ul style="list-style-type: none"> • tenders - subject to SOs (reporting to the Audit Committee) • quotes - subject to SOs *reporting to the Audit Committee) | <p>Chief Finance Officer</p> <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Head of Procurement</p> <p>Refer To Delegated Financial Limits</p> <p>Refer To Delegated Financial Limits</p> <p>Refer To Delegated Financial Limits</p> |
| 32. Records | | |
| <p>a) Review Trust's compliance with the Records Management Code of Practice</p> <p>b) Ensuring the form and adequacy of the financial records of all departments</p> | <p>Chief Executive</p> <p>Chief Finance Officer</p> | <p>Executive Directors/ Heads of Service/ Senior Managers</p> <p>Deputy Director of Finance & Business Intelligence</p> |
| 33. Reporting of Incidents to the Police | | |
| <p>a) Where a criminal offence is suspected</p> <ul style="list-style-type: none"> • criminal offence of a violent nature • arson or theft • other <p>b) Where a fraud is involved (reporting to the Counter Fraud Services)</p> <p>c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption</p> | <p>Chief Executive</p> <p>Chief Finance Officer</p> <p>Chief Finance Officer</p> | <p>Executive Director on call/Local Security Management Specialist</p> <p>Local Counter Fraud Specialist/All staff</p> <p>LCFS</p> |
| 34. Risk Management | | |
| <p>a) Ensuring the Trust has a Risk Management Strategy and a programme of risk management</p> <p>b) Developing systems for the management of risk.</p> <p>c) Developing incident and accident reporting systems</p> <p>d) Compliance with the reporting of incidents and accidents</p> | <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> | <p>Director of Corporate Affairs/Director of Nursing & Quality Improvement</p> <p>Director of Corporate Affairs Director of Nursing & Quality Improvement</p> <p>Director of Corporate Affairs Director of Nursing & Quality Improvement</p> <p>All staff</p> |
| 35. Seal | | |
| <p>a) The keeping of a register of seal and safekeeping of the seal</p> <p>b) Attestation of seal in accordance with Standing Orders</p> <p>c) Property transactions and any other legal requirement for the use of the seal.</p> | <p>Chief Executive</p> <p>Chairman /Chief Executive</p> <p>Chairman /Chief Executive</p> | <p>Director of Corporate Affairs</p> <p>Director of Corporate Affairs</p> <p>Chief Executive or their nominated Director/Director of Corporate Affairs</p> |
| 36. Security Management | | |
| <p>a) 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.</p> | <p>Chief Executive</p> | <p>Chief Finance Officer</p> |

| DELEGATED MATTER | DELEGATED TO | OPERATIONAL RESPONSIBILITY |
|---|--|--|
| 37. Setting of Fees and Charges (Income) | | |
| a) Private Patient, Overseas Visitors, Income Generation and other patient related services. | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| b) Non patient care income | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| c) Informing the Director of Finance and Development of monies due to the Trust | Chief Finance Officer | All Staff |
| d) Recovery of debt | Chief Financial Officer | Deputy Director of Finance & Business Intelligence |
| e) Security of cash and other negotiable instruments | Chief Financial Officer | Deputy Director of Finance & Business Intelligence |
| 38. Stores and Receipt of Goods | | |
| a) Responsibility for systems of control over stores and receipt of goods, issues and returns | Chief Finance Officer | Heads of Procurement/Divisional Managers/Service Leads |
| b) Stocktaking arrangements | Chief Finance Officer | Deputy Director of Finance & Business Intelligence |
| c) Responsibility for controls of pharmaceutical stock | Medical Director/ Director of Nursing & Quality Improvement | Medical Director/Deputy Medical Director |

STANDING FINANCIAL INSTRUCTIONS

*(Approved by the Finance & Performance
Committee September 2017)*

1 INTRODUCTION

1.1 General

- a) These Standing Financial Instructions (SFIs) 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 the Independent Regulator's relevant guidance. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- b) These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including any 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 Chief Financial Officer. These SFIs do not set out in full the requirements of the Independent Regulator's guidance and all relevant guidance of the Independent Regulator should be consulted. Such guidance will also change over time and these SFIs do not record or reference all such applicable guidance.
- c) Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Chief Financial Officer must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's Standing Orders (SOs).
- d) Failure to comply with SFIs and SOs is a disciplinary matter that could result in dismissal.
- e) Overriding Standing Financial Instructions - If for any reason these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Financial Officer as soon as possible.
- f) All policies and procedures of the Trust, to the extent that they are consistent with this SFI, must be followed by all governors, directors and officers of the Trust in addition to the provisions of the SFI (whether specifically referenced in this schedule or not).

1.2 Terminology

- g) The definitions within the Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation are described on pages 5 & 6 of this manual.
- h) Wherever the title Chief Executive, Chief Finance Officer, or other nominated officer is used in these instructions, it shall be deemed to include such other directors or employees who have been duly authorised to represent them.
- i) Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust, including nursing and medical staff and consultants practising on the Trust premises and members of staff of the PFI contractor or Trust staff working the contractor under retention of employment model.

1.3 Responsibilities and Delegation

- j) The Board exercises financial supervision and control by:
 - formulating the financial strategy

- requiring the submission and approval of the Annual Plan and budgets within overall income
 - defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and by ensuring appropriate audit provision; and
 - defining specific responsibilities placed on the Board and employees as indicated in the Scheme of Reservation and Delegation.
- k) The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Scheme of Reservation & Delegation document. All other powers have been delegated to such other committees as the Trust has established.
- l) The Chief Executive and Chief Finance Officer will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.
- m) Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as the Accounting Officer, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Chair and Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
- n) It is a duty of the Chief Executive to ensure that members of the Board and employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.
- o) The Chief Finance Officer is responsible for:
- implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies; (The SFIs themselves do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes.)
 - 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;
 - ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

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

- the provision of financial advice to other members of the Board of Directors and employees;
 - the design, implementation and supervision of systems of internal financial control; and
 - the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.
- p) All members of the Board and employees, severally and collectively, are responsible for:
- the security of the property of the Trust;

- avoiding loss;
 - exercising economy and efficiency in the use of resources; and
 - conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Reservation and Delegation.
- q) Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.
- r) For all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Chief Finance Officer .

2 AUDIT

2.1 Audit Committee

The Audit Committee has been formally constituted by the Board of Directors in accordance with its Standing Orders and will report through to the Board of Directors. The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.

The committee is authorised to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the committee.

The committee is authorised to obtain outside legal and other independent professional advice and to secure the attendance of outsiders with relevant experience, expertise if it considers it necessary.

2.2 Scope and Duties

In order to fulfil its role effectively, the Committee will undertake the following:

Governance, risk management and internal control

The committee shall seek an independent review of the work of the relevant committees to enable it 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.

The Committee shall have responsibility for final sign off of the Trust's Annual Quality Report.

The Committee will specifically review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board
- The underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification
- The Corporate Governance Manual, Standing Orders, Standing Financial Instructions and Scheme of Delegation.
- The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud and Security Management Service.

In carrying out this work the committee will primarily utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

Internal audit

The committee shall ensure that there is an effective internal function that meets mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board.

This will be achieved by:

- Consideration of the provision of the internal audit service, the cost of the audit and any questions of resignations and dismissal
- Review and approval of the internal audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the Audit needs of the organisation as identified in the Assurance Framework
- Considering the major findings of internal audit work (and management's response), and ensuring co-ordination between the internal and external auditors to optimise audit resources through the use of the audit tracker (the detail of the internal audit reports will be scrutinised at the relevant committees of the board)
- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation
- An annual review of the effectiveness of internal audit.

External audit

The committee shall review the work and findings of the external auditors and consider the implications and management's responses to their work.

This will be achieved by:

- Consideration of the appointment and performance of the external auditors, as far as the rules governing the appointment permit
- Discussion and agreement with the external auditors, before the audit commences, of the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy
- Discussion with the external auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee
- Review of all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Board and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

Other assurance functions

The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation.

These will include, but will not be limited to, any reviews by the Department of Health arm's length bodies or regulators/inspectors (for example, the Care Quality Commission, NHS Litigation Authority, etc.) and professional bodies with responsibility for the performance of staff functions (for example, Royal Colleges, accreditation bodies, etc)

In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work.

In reviewing the work of the Quality & Governance Committee, and issues around clinical risk management, the Audit Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

Counter Fraud

The Committee shall satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall approve the counter fraud plan and review the outcomes of counter fraud work.

Management

The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

The Committee may also request specific reports from individual functions within the organisation (for example, clinical audit) as they may be appropriate to the overall arrangements.

Financial Reporting

The Audit Committee shall monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

The Committee should ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

The Audit Committee shall review the annual report and financial statements before submission to the Board, focusing particularly on:

- The wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee
- Changes in, and compliance with, accounting policies, practices and estimation techniques
- Unadjusted mis-statements in the financial statements
- Significant judgements in preparation of the financial statements
- Significant adjustments resulting from the audit
- Letter of representation
- Qualitative aspects of financial reporting.

In performing its duties, the Committee will have due regard to the Trust's commitment to equality, diversity and human rights as well as compliance with the Equality Act 2010 and other legislation requirements.

Whistleblowing

In accordance with the UK Code, the Audit Committee shall remain aware of the arrangements and processes in place by which staff of the organisation may in confidence, raise concerns about possible improprieties in matters of financial reporting or others matters.

The Audit Committee shall acknowledge the work and oversight of the Board of Directors and the Quality & Governance Committee in the application of the Trust's Raising Concerns Policy (GP51).

This will be facilitated through the Audit Committee's review of the minutes from the Quality & Governance Committee where quarterly assurance reports are presented.

2.3 Chief Finance Officer

s) The Chief Finance Officer is responsible for:

- ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function and the coordination of other assurance arrangements;
 - ensuring that internal audit is adequate and meets the Public Sector Internal Audit Standards;
 - deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities not involving fraud or corruption;
 - ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board of Directors. The report must cover:
 - a clear opinion on the effectiveness of internal controls in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards,
 - major internal financial control weaknesses discovered,
 - progress on the implementation of internal audit recommendations,
 - progress against plan over the previous year,
 - strategic audit plan,
 - a detailed plan for the coming year.
- t) The Chief Finance Officer or designated auditors are entitled without necessarily giving prior notice to require and receive:
- access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
 - access at all reasonable times to any land, premises, members of the Board of Directors or employee of the Trust;
 - the production of any cash, stores or other property of the Trust under a member of the Board of Directors or employee's control; and
 - explanations concerning any matter under investigation.

2.4 Role of Internal Audit

- a) The role of internal audit embraces two key areas:
- The provision of an independent and objective opinion to the Accounting Officer, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives.
 - The provision of an independent and objective view specifically to help line management improve the organisation's risk management, control and governance arrangements.

Internal Audit will review, appraise and report upon:

- The extent of compliance with, and the effect of, relevant established policies, plans and procedures;
- The adequacy and application of financial and other management controls;
- The suitability of financial and other management data;
- The extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

- fraud and other offences,
 - waste, extravagance, inefficient administration,
 - poor value for money or other causes.
 - Internal Audit shall also independently verify the Assurance Framework in accordance with guidance from the Department of Health.
- b) Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Financial Officer must be notified immediately.
 - c) The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of the Trust.
 - d) The Head of Internal Audit shall be accountable to the Audit Committee. The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards. The Head of Internal Audit shall have access to report direct to the Chairman or a non-executive member of the Trust's Audit Committee.
 - e) Managers in receipt of audit reports referred to them, have a duty to take appropriate remedial action within the agreed timescales specified within the report. The Chief Financial Officer shall identify a formal review process to monitor the extent of compliance with audit recommendations. Where appropriate, remedial action has failed to take place within a reasonable period, the matter shall be reported to the Chief Financial Officer and Audit Committee.

2.5 External Audit

- a) The Council of Governors shall appoint or remove the external auditor at a general meeting of the Council of Governors (FT constitution para 38).
- b) The Audit Code for NHS Foundation Trusts ('The Audit Code') contains directions of the Independent Regulator under Schedule 7 paragraph 24 of the National Health Service Act 2006, with respect to the standards, procedures and techniques to be adopted by the Auditor.
- c) The Trust shall apply and comply with the Audit Code.
- d) The Auditor shall be required by the Trust to comply with the Audit Code.
- e) In the event of the Auditor issuing a public interest report the Trust shall forward a report to the Independent Regulator within 30 days (or such shorter period as the Independent Regulator may specify) of the report being issued. The report shall include details of the Trust's response to the issues raised within the public interest report.

2.6 Counter Fraud

The Trust shall take all necessary steps to counter fraud and deal effectively with security management issues affecting NHS funded services in accordance with;

- u) The NHS Fraud and Corruption Manual published by the Counter Fraud and Security Management Service (CFSMS)
- c) The main key areas of activity as outlined by NHS Protect and within an agreed work plan.

- d) The Trust shall nominate a suitable person to carry out duties of the Local Counter Fraud Specialist (LCFS) in accordance with the relevant Secretary of State Directions.
- e) The Local Counter Fraud Specialist will provide a written plan and report to the Audit Committee, at least annually, on counter fraud work within the Trust.
- f) The Local Counter Fraud Specialist shall report to the Chief Financial Officer and shall work with NHS Protect

2.7 Security Management

- v) In line with their responsibilities, the Chief Executive will monitor and ensure compliance with Trust contractual requirements for security management
- g) The Trust shall nominate a suitable person to carry out duties of the Local Security Management Specialist (LSMS) in accordance with the relevant Secretary of State Directions.
- h) The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated via the Chief Financial Officer to Local Security Management Specialist (LSMS)

3. FINANCIAL PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

3.1 Financial Planning

The Chief Executive or nominated director will compile and submit to the Board annually a Financial Plan which takes into account financial targets as defined by the regulator. The plan will detail the significant assumptions on which it is based and contain, (but not be limited to):

- activity and income plans;
- expenditure;
- operational requirements and capacity;
- cost improvement plans;
- capital programme;
- cashflow and liquidity; and
- risk ratings.

3.2 Budgets

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

- be in accordance with the aims and objectives set out in the financial plan;
- accord with workload and manpower plans;
- be produced following discussion with appropriate budget holders;
- be prepared within the limits of available funds;
- identify potential risks and mitigations;
- be based on reasonable and realistic assumptions;
- be prepared on a basis to maximise value for money; and
- enable the Trust to comply with the requirements of the Single Oversight Framework set by NHSI.

The Chief Finance Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Board. Any significant variance should be reported by the Chief Finance Officer to the Board as soon as they come to light and the Board shall be advised of action to be taken in respect of such variances.

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

The Chief Finance Officer has a responsibility to ensure that adequate financial training is delivered on an on-going basis to budget holders to help them manage their budgets effectively.

3.3 Budgetary Delegation

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

- the amount of the budget;
- the purpose(s) of each budget heading;
- individual and group responsibilities;
- authority to exercise virement;
- achievement of planned levels of service; and

- the provision of regular reports.

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

3.4 Budgetary Control and Reporting

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

- Statement of Comprehensive Income to date showing trends and forecast year-end position;
- Statement of Financial Position including movement in working capital;
- Cash flow;
- Capital project spend and projected outturn against plan;
- Explanations of any material variances from plan/budget;
- Details of any corrective action where necessary and the Chief Executive's and/or Chief Finance Officer's view of whether such actions are sufficient to correct the situation;
- The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- Investigation and reporting of variances from financial, workload and manpower budgets;
- Monitoring of management action to correct variances;
- Arrangements for the authorisation of budget transfers;
- Advising the Chief Executive and Board of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall provide advice on the economic and financial impact of future plans and projects;
- Review of the basis and assumptions used to prepare the budgets.

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

Each Budget Holder is responsible for ensuring that:

- any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the budget holder's line manager;
- officers shall not exceed the budget limit set;
- 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;
- no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board .

The Chief Operating Officer and is responsible for ensuring delivery of the Trust's cost improvement programme in line with agreed schemes and with appropriate quality and equality impact assessments.

3.5 Capital Expenditure

The general rules applying to delegation and reporting shall also apply to capital expenditure.

3.6 Monitoring Returns

The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHSI within the specified time-scales.

4. ANNUAL ACCOUNTS AND REPORTS

4.1 Accounts

The Foundation Trust shall prepare accounts in respect of each financial year in such form as NHSI may, with the approval of HM Treasury, direct. The accounts are to be audited by the Foundation Trust's External Auditor. The following documents will be made available to the Comptroller and Auditor General for examination at his request:

- the accounts;
- any records relating to them;
- any report of the External Auditor on them

The functions of the Foundation Trust with respect to the preparation of the annual accounts shall be delegated to the Accounting Officer. The Accounting Officer shall cause the Foundation Trust to prepare in respect of each financial year annual accounts in such form as NHSI may, with the approval of the HM Treasury, direct. The Accounting Officer will comply in preparing accounts with HM Treasury guidance as to:

- the methods and principles according to which the accounts are to be prepared;
- the information to be given in the accounts; and
- shall be responsible for the functions of the Foundation Trust as set out in the 2006 NHS Act.

The following documents are to be presented to the Council of Governors at a general meeting of the Council of Governors:

- the annual report including the annual accounts; and
- any report of the External Auditor on them;

The Accounting Officer shall cause the Foundation Trust to lay a copy of the annual accounts, and any report of the External Auditor on them, before Parliament and once it has done so, send copies of those documents to NHSI.

Responsibility for complying with the requirements relating to the form, preparation and presentation of the accounts shall be delegated to the Accounting Officer.

4.2 Annual Reports

The Foundation Trust shall prepare an Annual Report and send it to NHSI. The reports are to give information on any steps taken by the Foundation Trust to secure that (taken as a whole) the actual membership of the Public Constituency and of the classes of the Staff Constituency is representative of those eligible for such membership; and any other information NHSI requires.

The Foundation Trust is to comply with any decision NHSI makes as to the form of the reports; when the reports are to be sent to them; and the periods to which the reports are to relate.

The Financial Auditors of the Foundation Trust have a responsibility to read the information contained within the Annual Report and consider the implications for the External Audit opinion and/or certificate if there are apparent misstatements or material inconsistencies with the financial statements.

5. BANK AND GOVERNMENT BANKING SERVICE (GBS) ACCOUNTS

5.1 General

The Chief Finance Officer is responsible for managing the Foundation Trust banking arrangements and for advising the Foundation Trust on the provision of banking services and operation of accounts. The Board of Directors shall approve the banking arrangements.

5.2 Bank and GBS Accounts

The Chief Finance Officer is responsible for:

- bank accounts and GBS accounts; and other forms of working capital financing that may be available from the Department of Health or commercial entity;
- establishing separate bank accounts for the Foundation Trust's non-exchequer funds;
- ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
- reporting to the Board of Directors all arrangements made with the Foundation Trust's bankers for accounts to be overdrawn (together with the remedial action taken);

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

5.3 Banking Procedures

The Chief Finance Officer will prepare detailed instructions on the operation of bank and GBS accounts, which must include:

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

The Chief Finance Officer must ensure the accounts are operated in accordance with the conditions agreed with the Foundation Trust's bankers. The Chief Finance Officer shall approve security procedures for any cheques issued without a hand-written signature. Manually produced cheques shall be signed by the authorised officer(s) in accordance with the bank mandate. All cheques shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.

5.4 Trust Credit Cards

The Chief Finance Officer shall approve the allocation and operation of credit cards on behalf of the Trust; implement arrangements to monitor whether credit cards are being used appropriately; and take action where inappropriate use is identified.

5.5 Tendering and Review

The Chief Finance Officer will review the banking arrangements of the Foundation Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Foundation Trust's business banking. Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board of Directors. This review is not applicable to GBS accounts.

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

6.1 Income System

The Chief Finance Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due. All such systems shall incorporate, where practicable, in full the principles of internal check and separation of duties. The Chief Finance Officer is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges other than Foundation Trust Contract

The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health, NHSI 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 (2000) shall be followed as well NHS England's Managing Conflicts of Interest in the NHS (2017). See also Standing Orders.

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

6.3 Debt Recovery

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

6.4 Security of Cash, Cheques and Other Negotiable Instruments

The Chief Finance Officer is responsible for:

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

Official money shall not under any circumstances be used for the encashment of private cheques, nor IOUs. Staff shall be informed in writing on appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc. All cheques, postal orders, cash etc., shall be banked promptly intact under arrangements approved by the Chief Finance Officer. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Foundation Trust is not to be held liable for any loss, and written

indemnities must be obtained from the organisation or individuals absolving the Foundation Trust from responsibility for any loss.

Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be monitored and recorded within the Finance Department. Any significant trends should be reported to the Chief Finance Officer and Internal Audit via the incident reporting system. Where there is prima facie evidence of fraud or corruption this should follow the form of the Foundation Trust's Fraud and Corruption Response Plan and the guidance provided by the Counter Fraud and Security Management Service. Where there is no evidence of fraud or corruption the loss should be dealt with in line with the Foundation Trust's Losses Procedure.

7. FOUNDATION TRUST CONTRACTS

7.1 Contracts

The Chief Executive, as the Accounting Officer, is responsible for ensuring the Foundation Trust enters into suitable contracts with Commissioners for the provision of NHS services. The Foundation Trust will follow the priorities contained within the schedules of the contract, and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework and/or national performance metrics (if any);
- the provision of reliable information on cost and activity;
- ability to provide timely and accurate information / reports relating to agreed CQUIN targets;
- the provision of agreed information regarding outcome measures; and
- any other matters relating to contracts of a legal or non-financial nature.

A good contract will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Foundation Trust works with all partner agencies involved in the both the delivery and commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Foundation Trust can jointly manage risk with all interested parties.

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast performance against the contract. This will include information on income and costing arrangements for the contract.

7.2 Non Commercial Contract

Where the Foundation Trust enters into a relationship with another organisation for the supply or receipt of other services - clinical or non-clinical, the responsible officer should ensure that an appropriate non-commercial contract is present and signed by both parties.

This should incorporate:

- a description of the service and indicative activity levels;
- the term of the agreement;
- the value of the agreement;
- the lead officer;
- performance and dispute resolution procedures;
- risk management and clinical governance arrangements; and
- exit provisions

Non-commercial contracts should be reviewed and agreed on an annual basis or as determined by the term of the agreement so as to ensure value for money and to minimise the potential loss of income.

8. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES

8.1 Remuneration Committee

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

The Committee will advise the Board of Directors about appropriate remuneration and terms of service for the Chief Executive and other Executive Directors (and other senior employees), including:

- all aspects of salary (including any performance-related elements and bonuses);
- provisions for other benefits, including pensions and cars, arrangements for termination of employment and other contractual terms;
- review recommendations to the Board of Directors on the remuneration and terms of service of Executive Directors (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Foundation Trust - having proper regard to the Foundation Trust's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate;
- determine the expenses policy of the Foundation Trust
- determine the relocation policy of the Foundation Trust
- 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.

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

The Council of Governors, at a general meeting will decide the remuneration and allowances, and the other terms and conditions of office of the Non-Executive Directors (FT constitution para 34).

8.2 Funded Establishment

The workforce plans incorporated within the annual budget will form the funded establishment. The staffing establishment of the Foundation Trust will be identified and monitored by the Director of Human Resources & Organisational Development under delegation from the Chief Executive. The funded establishment of any department may not be varied without the approval of the Chief Executive or individual nominated within the relevant section of the SoRD. The Divisional Accountant is responsible for verifying that funding is available.

8.3 Staff Appointments

No Executive Director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration;

- unless authorised to do so by the Chief Executive; and
- within the limit of their approved budget and funded establishment as defined in the SoRD.

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

8.4 Processing the Payroll

The processing of the Foundation Trust's payroll is a contracted out service. The Director of Human Resources & Organisational Development remains responsible for;

- specifying timetables for submission of properly authorised time records and other notifications;
- the financial determination of pay and allowances; including verification that the rate of pay and relevant conditions of service are in accordance with current agreements;
- making payment on agreed dates; and
- agreeing method of payment.

The Director of Human Resources & Organisational Development in conjunction with the Chief Finance Officer will issue instructions regarding:

- verification and documentation of data;
- the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- security and confidentiality of payroll information;
- checks to be applied to completed payroll before and after payment;
- authority to release payroll data under the provisions of the Data Protection Act;
- methods of payment available to various categories of employee;
- procedures for payment by cheque, bank credit, or cash to employees procedures for the recall of cheques and bank credits;
- pay advances and their recovery;
- maintenance of regular and independent reconciliation of pay control accounts;
- separation of duties of preparing records and handling cash; and
- a system to ensure the recovery from leavers of sums of money and property due by them to the Foundation Trust.

Appropriately nominated managers have delegated responsibility for:

- processing a signed copy of the contract / appointment form and such other documentation as may be required immediately upon an employee commencing duty;
- submitting time records, and other notifications in accordance with agreed timetables;
- completing time records and other notifications in accordance with the Chief Executives Instructions and in the form prescribed by the Chief Executive; and
- submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Human Resources & Organisational Development must be

informed immediately. In circumstances where fraud might be expected this must be reported to the Chief Finance Officer.

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

8.5 Contracts of Employment

The Board of Directors shall delegate responsibility to a manager for:

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

9. NON-PAY EXPENDITURE

9.1 Delegation of Authority

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

The Chief Executive will set out;

- the list of managers who are authorised to place requisitions for the supply of goods and services which should be updated and reviewed on an on-going basis and annually by the Finance & Procurement Departments.
- where the authorisation system is computerised the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system; and
- the maximum level of each requisition and the system for authorisation above that level.

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

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

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 Foundation Trust. In so doing, the advice of the Foundation Trust's advisor shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Finance Officer (and/or the Chief Executive) shall be consulted.

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

The Chief Finance Officer will:

- Advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the Scheme of Reservation and Delegation and regularly reviewed;
- Prepare procedural instructions where not already provided in the Scheme of Reservation and Delegation or procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds;
- Be responsible for the prompt payment of all properly authorised accounts and claims;
- Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

The system shall provide for:

- A list of directors/employees (including specimens of their signatures) authorised to approve or incur expenditure. Where the authorisation system is computerised the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system.
- Certification that;
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
- A timetable and system for submission to the Chief Finance Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- Responsibility for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).

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

- 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;

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

Official Orders must:

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

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

- All contracts other than for a simple purchase permitted within the Scheme of Reservation and Delegation or delegated budget, leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made;
- Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health;
- Where an officer certifying accounts relies upon other officers to do preliminary checking, they shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.
- 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:
 - isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - conventional hospitality, such as lunches in the course of working visits;
- No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Chief Executive;
- All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash or on purchasing cards;
- Verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order, and clearly marked "Confirmation Order".
- Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

- Goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future un-competitive purchase;
- Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer ;
- Petty cash records are maintained in a form as determined by the Chief Finance Officer; and,
- Orders are not required to be raised for utility bills, NHS Recharges; and ad hoc services such as private hospital fees. Payments must be authorised in accordance with the delegated limits set for non-pay.

The Chief Executive and Chief Finance Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with relevant EU and IFRS accounting guidance.

Under no circumstances should goods be ordered through the Foundation Trust for personal or private use with the exception of permitted schemes such as lease cars or the cycle to work scheme.

9.3 Joint finance arrangements with local authorities and voluntary bodies

Payments to local authorities and voluntary organisations made shall comply with procedures laid down by the Chief Finance Officer.

10. FINANCIAL FRAMEWORK

The Chief Finance Officer should ensure that members of the Board are aware of the Financial Framework issued by NHSI and the requirements of the annual planning guidance.

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

11.1 Capital investment

The Chief Executive:

- 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;
- is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- shall ensure that the capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges; and
- that NHSI is notified if the Foundation Trust has plans for material transactions in accordance with the thresholds defined in NHSI's Single Oversight Framework. NHSI will determine whether they class the transaction as material or significant. Material investments can, under specific conditions set out in NHSI's Compliance Framework, be approved by the FT's Board of Directors. Significant investments must be assessed by NHSI before the Foundation Trust can proceed. In addition all transactions which potentially impact the Financial Sustainability Risk Rating must also be notified to NHSI. All PFI transactions require NHSI assessment. All decisions to borrow money, from any source, will be rigorously reviewed by the

Board of Directors and the Foundation Trust will undertake its own financial due diligence using independent financial experts prior to making any decision.

For capital expenditure proposals the Chief Executive shall ensure (*in accordance with the limits outlined in the Scheme of Reservation and Delegation - Delegated Financial Limits*);

- that a business case is produced setting out:
 - an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - appropriate project management and control arrangements; and
 - the involvement of appropriate Trust personnel and external agencies
- that the Chief Finance Officer has sought professional advice and assurance regarding the capital costs and has assessed and verified the revenue consequences detailed in the business case.

For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management. The Chief Finance Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Chief Executive shall issue to the manager responsible for any scheme:

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

The Chief Executive will issue a Scheme of Reservation and Delegation for capital investment management which will be detailed in the Foundation Trust's Governance Manual.

The Chief Finance Officer shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes.

11.2 Private Finance

The Foundation Trust should normally test for PFI when considering capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

- the Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector;
- where the sum involved exceeds delegated limits, the business case must be referred to the appropriate external authoriser Department of Health / NHSI for approval or treated as per current guidelines.
- the proposal must be specifically agreed by the Foundation Trust in the light of such professional advice as should reasonably be sought in particular with regard to vires; and
- the selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

11.3 Asset registers

The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating and arranging for a physical check of assets against the Asset Register to be conducted on a regular basis. The Foundation Trust shall maintain an Asset Register recording fixed assets and additions to the Fixed Asset Register must be clearly identified to an appropriate budget holder and be validated by reference to:

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

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on Fixed Asset Registers. The value of each asset shall be adjusted to current values in accordance with the principles outlined in the Annual Reporting Manual issued by NHSI and the value of each asset shall be depreciated also adhering to the methodology set out in the Annual Reporting Manual.

Any disposal of fixed assets must be in compliance with the Terms of the Trust License specifically section 5 conditions COS2 - restriction on the disposal of assets.

11.4 Security of assets

The overall control of fixed assets is the responsibility of the Chief Executive advised by the Chief Finance Officer. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Finance Officer. This procedure shall make provision for:

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

All significant discrepancies revealed by verification of physical assets to the Fixed Asset Register shall be notified to the Chief Finance Officer. Whilst each employee has a responsibility for the security of property of the Foundation Trust, it is the responsibility of directors 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 of Directors. Any breach of agreed security practices must be reported in accordance with instructions. Any damage to the Foundation Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses. Where practical, assets should be marked as Trust property.

12. STOCKS, STORES AND RECEIPT OF GOODS

12.1 Stocks

Stocks are defined as those goods normally utilised in day to day activity, but which a given point in time have not been used or consumed. There are three broad types of store;

- Controlled stores - specific areas designated for the holding and control of goods;
- Clinical areas and departments - goods required for immediate usage to support operational services; and

- Manufactured items - where goods and consumables are being made or processes are being applied which add to the raw material cost of the goods.
- Such stocks should be kept to a minimum and for;
- controlled stores and other significant stores (as determined by the Chief Finance Officer) should be subjected to an annual stocktake or perpetual inventory procedures; and
- valued at the lower of cost and net realisable value.

Subject to the responsibility of the Chief Finance Officer for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental employees and stores managers / keepers, subject to such delegation being entered in a record available to the Chief Finance Officer. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer. The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager. Wherever practical, stocks should be marked as NHS property. The Chief Finance Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, returns to stores and losses.

Stocktaking arrangements shall be agreed with the Chief Finance Officer and there shall be a physical check covering all items in store at least once a year. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Finance Officer. The designated manager shall be responsible for a system approved by the Chief Finance Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Chief Finance Officer any evidence of significant overstocking and of any negligence or malpractice (see also section 13 – 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.

12.2 Receipt of Goods

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

12.3 Issue of Stocks

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

13. DISPOSALS AND CONDEMNATIONS, INSURANCE, LOSSES AND SPECIAL PAYMENTS

13.1 Disposals and condemnations

The Chief Finance Officer must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers. When it is decided to dispose of a Foundation Trust asset, the head of department or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate. All unserviceable articles shall be:

- condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer;
- recorded by the condemning officer in a form approved by the Chief Finance Officer 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 Chief Finance Officer.

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

13.2 Losses and special payments

Losses

The Chief Finance Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments. The Chief Finance Officer must also prepare a fraud response plan that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Finance Officer who will liaise with the Chief Executive or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the Chief Finance Officer who will liaise with the Chief Executive.

Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud or corruption or of anomalies which may indicate fraud, bribery or corruption, the Chief Finance Officer must inform their Local Counter Fraud Specialist who will inform NHS Protect regional team **before** any action is taken and reach agreement how the case is to be handled. For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify;

- the Board of Directors, and
- the External Auditor
- NHS Protect (through the Local Counter Fraud Specialist)

The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the Foundation Trust's interests in bankruptcies and company liquidations. For any loss, the Chief Finance Officer should consider whether any insurance claim can be made.

Write-Offs and Special Payments

The writing-off of debts, the abandonment of claims and the making of any kind of special or ex-gratia payments will be approved in accordance with the scheme of delegation. In approving the write-off of debts consideration will be made of the nature of the monies owed and the likelihood of the receipt of monies against any costs which may be incurred in attempting to recover the debt. In approving special payments account will be taken of national guidance, any precedents and any potential for admitting liability for further claims.

The Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded. All losses and special payments must be reported to the Audit Committee.

13.3 Compensation Claims

The Foundation Trust is committed to effective and timely investigation and response to any claim which includes allegations of clinical negligence, employee and other compensation claims. The Foundation Trust will follow the requirements and note the recommendations of the Department of Health, and NHS Resolution in the management of claims. Every member of staff is expected to co-operate fully, as required, in assessment and management of each claim. The Foundation Trust will seek to reduce the incidence and adverse impact of clinical negligence, employee and other litigation by;

- Adopting prudent risk management strategies including continuous review.
- Implementing in full the NHS Complaints Procedure, thus providing an alternative remedy for some potential litigants.
- Adopting a systematic approach to claims handling in line with the best current and cost effective practice.
- Following guidance issued by NHS Resolution relating to clinical negligence.
- Complying with Care Quality Commission Regulations.
- Implementing an effective system of Clinical Governance

The Director of Nursing and Quality Improvement is responsible for managing the clinical negligence governance framework: for managing the claims process and informing the Board of Directors of any major developments on claims related issues.

14. INFORMATION TECHNOLOGY

14.1 Responsibilities and Duties of the Chief Finance Officer

The Chief Finance Officer, who is responsible for the accuracy and security of the computerised financial data of the Foundation Trust, shall:

- devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Foundation Trust's data, programs and computer hardware for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 (update 2000) and the Computer Misuse Act 1990;
- ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- ensure that adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent via transmission networks;
- ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.

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

14.2 Freedom of Information

The Chief Finance Officer shall also publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Foundation Trust that we make publicly available.

14.3 Responsibilities and Duties of other Directors and Officers in relation to IM&T and Information Governance

14.3.1 General

In order to ensure compatibility and compliance with the Trust's IM&T Strategy, no computer hardware, software or facility will be procured without authorisation of the Chief Finance Officer and Deputy Director of IM&T.

14.3.2 Information Governance

The Head of Information Governance together with the Head of Procurement are to ensure that all Trust contracts and SLAs have appropriate clauses to protect the Trust and its staff, patients and other stakeholders from any risk of breach of confidentiality or breach of Information Governance standards.

14.3.3 Risk Assessment

The Chief Finance Officer shall ensure that risks to the Foundation 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. The Foundation Trust shall disclose to NHSI and directly to any third parties, as may be specified by the Secretary of State, the information, if any, specified in the Terms of Authorisation, Schedule 6. Other information, as requested, shall be provided to NHSI

15. FUNDS HELD ON TRUST

15.1 Corporate Trustee

Management and administration of the Foundation Trust's Charitable Funds is undertaken on behalf of the Foundation Trust by Cheshire and Wirral Partnerships NHS Foundation Trust.

The Foundation Trust is responsible, as a corporate Trustee, for the management of funds it holds on Trust and shall comply with Charities Commission latest guidance and best practice.

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

The Chief Finance Officer shall ensure that each fund which the Foundation Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

15.2 Accountability to Charity Commission and Secretary of State for Health

The Trustee responsibilities must be discharged separately and full recognition given to the Foundation Trust's dual accountabilities to the Charity Commission for charitable funds held on Trust and to the Secretary of State for all funds held on Trust.

The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Board members and Officers must take account of that guidance before taking action.

15.3 Applicability of Standing Financial Instructions to funds held on Trust

In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on Trust.

The over-riding principle is that the integrity of each Trust must be maintained and statutory and Foundation Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds

16. TENDERING AND CONTRACT PROCEDURE

16.1 Duty to comply with Standing Orders and SFIs

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

16.2 EU Directives Governing Public Procurement

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 the Standing Orders and SFIs. Procedure notes detailing EU thresholds and the differing procedures to be adopted must be maintained within the Foundation Trust.

16.3 Formal Competitive Tendering

The Foundation Trust shall ensure that competitive tenders are invited for:

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

Where the Foundation Trust elects to invite tenders for the supply of healthcare these SFIs shall apply as far as they are applicable to the tendering procedure.

Formal tendering procedures are not required where:

- the estimated expenditure or income does not, or is not reasonably expected to, exceed the limit set in the SoRD, (this figure to be reviewed annually); or
- the supply is proposed under special arrangements negotiated by the Department of Health in which event the said special arrangements must be complied with; or
- regarding disposals as set out in SFIs 'Disposals and Condemnations'.

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

- In very exceptional circumstances where the Chief Executive or Chief Finance Officer 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 Foundation Trust record;
- Where the requirement is covered by an existing contract;
- Where public sector framework agreements are in place and have been approved by the Board of Directors;
- 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;
- Where the timescale genuinely precludes competitive tendering. However, failure to plan the work properly would not be regarded as a justification for a single tender;
- Where specialist expertise is required and is available from only one source;
- 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;
- 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; and

- For the provision of legal advice and services providing that any legal firm or partnership commissioned by the Foundation Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and all generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

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 Foundation Trust register and reported to the Audit Committee at each meeting.

16.4 Fair and Adequate Competition

Where applicable the Foundation Trust shall ensure that invitations to tender are sent to a sufficient number of suppliers / individuals to provide fair and adequate competition as appropriate, and in no case less than three suppliers / individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

16.5 Building and Engineering Construction Works

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

16.6 Items which subsequently breach thresholds after original approval

Items estimated to be below the limits set in this SFIs for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Audit Committee, and be recorded in an appropriate Foundation Trust record.

16.7 Contracting / Tendering Procedure

All tenders for services with a value greater than £50,000 (exc VAT) must be published on the national contracts finder website.

16.8 Invitation to tender

- all invitations to tender shall state the date and time as being the latest time for the receipt of tenders;
- all invitations to tender shall state the procedures to be followed in submitting the tender;
- every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable;
- every tender for building or engineering works should be subject to the appropriate form of contract.

16.9 Receipt and Safe custody of Tenders

The Chief Executive or their nominated representative will be responsible for the system to track the receipt, endorsement and safe custody of tenders received until the time appointed for their opening. The data and time of receipt of each tender shall be recorded. Tenders will be carried out using an electronic tendering system. Access to the electronic tendering system will be by username and password and a full audit trail will be maintained. The system will ensure that submitted tenders, apart from in-house bids, cannot be

accessed by any member of the Trust until after the closing date.

16.10 Opening Tenders and Register of Tenders

- As soon as possible after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by the manager designated by the Chief Executive and not from the originating department;
- The 'originating' Department will be taken to mean the department sponsoring or commissioning the tender. The involvement of Finance Department staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved Senior Manager from the Finance Department from serving as one of the managers to open tenders;
- The date and person opening every tender should be recorded;
- A register shall be maintained by the Chief Executive, or a person authorised by them, to show for each set of competitive tender invitations despatched;
 - the name of all suppliers individuals invited;
 - the names of suppliers individuals from which tenders have been received;
 - the date tenders were opened;
 - the person opening the tenders;
 - the price shown on each tender; and
 - a note where price alterations have been made on the tender;
- Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (see below).

16.11 Admissibility

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

16.12 Late Tenders

Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or their nominated officer decided that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer. 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 Chief Executive or their nominated officer or if the process of evaluation and adjudication has not started. 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 Chief Executive or their nominated officer.

16.13 Acceptance of formal tenders

Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of contract will not disqualify the tender. The tender which is the most economically advantageous to the Trust will be accepted. The weighting of

finance, quality and other measures in determining the most economically advantageous tender will be consistent with the invitation to tender.

No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Foundation Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.

All tenders should be treated as confidential and should be retained for inspection.

16.14 Tender reports to the Board of Directors

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

16.15 General Position on quotations

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

16.16 Competitive Quotations (£10-50k)

Quotations should be obtained from at least three suppliers / individuals based on specifications or terms of reference prepared by, or on behalf of, the Foundation Trust. Quotations must be obtained via the Trusts e-tendering portal via the procurement Team. For the avoidance of doubt, writing includes electronic means which can be permanently recorded. All quotations should be treated as confidential and should be retained for inspection. The Chief Executive or their nominated officer should evaluate the quotation and select the quote which is the most economically advantageous to the Trust. The factors used to determine economic advantage should be recorded in a permanent record.

16.17 Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Foundation trust and which is not in accordance with SFIs except with the authorisation of either the Chief Executive or Chief Finance Officer.

16.18 Authorisation of Tenders and Competitive Quotations

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

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

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

- the Foundation Trust shall use the NHS Supply Chain or other national contracts/frameworks for procurement of all goods and services unless the Chief Executive or nominated officer deems it inappropriate. The decision to use alternative sources must be documented; and
- if the Foundation Trust does not use the NHS Supply Chain or other national contracts/frameworks – where tenders or quotations are not required, because expenditure is below the levels defined in the SoRD, the Foundation Trust shall procure goods and services in accordance with procurement procedures approved by the Chief Finance Officer.

16.20 Private Finance for Capital Procurement

The Foundation 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:

- The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers an appropriate proportion of risk to the private sector;
- Where the sum exceeds delegated limits, a business case must be referred to NHSI in accordance with guidelines in the Single Oversight Framework;
- The proposal must be specifically agreed by the Board of the Foundation Trust; and
- The selection of a contractor / finance company must be on the basis of competitive tendering or quotations.

16.21 Compliance requirement for all contracts

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

- The Foundation Trust's SOs and SFIs;
- EU Directives and other statutory provisions;
- Such of the NHS Standard Contract Conditions as are applicable;
- Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
- Where appropriate contracts shall be in or embody the same terms of conditions of contract as was the basis on which tenders or quotations were invited; and
- NHSI principles / regulations.

In all contracts made by the Foundation Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Foundation Trust.

16.22 Personnel and Agency or Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts. All contracts should be compliant with DH / HMRC tax rules and mitigate the Trust's liability for individual non-compliance accordingly.

16.23 Foundation Trust Contracts / Healthcare Service Agreements

Service agreements with NHS providers for the supply of healthcare services are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a Public Benefits Corporation, is a legal document and is enforceable in law.

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

16.24 Disposals

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

- any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or their nominated officer;
- obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Foundation Trust;
- items to be disposed of with an estimated sale value of less than that defined on the Scheme of Delegation, this figure to be reviewed on a periodic basis;

- items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract; and
- land or buildings concerning with DH guidance has been issued but subject to compliance with such guidance.

All contractors should be compliant with DH / HMRC tax rules and mitigate to Trust's liability for individual non-compliance accordingly;

For any of the conditions noted above, check with the financial accountant prior to progressing.

16.25 In-house Services

The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Foundation Trust may also determine from time to time that in-house services should be market tested by competitive tendering. In all cases where the Board of Directors determines that in-house services should be subject to competitive tendering the following groups shall be set up:

- Specification Group, comprising the Chief Executive or nominated officer/s and Specialist;
- In-house tender group, comprising a nominee of the Chief Executive and technical support; and
- Evaluation team, comprising normally a specialist officer, a supplier's officer and a Chief Finance Officer representative.

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

Where the Trust is considering providing a service in-house which is currently contracted-out the same groups should be set up to evaluate the service and make recommendations to the Board of Directors.

16.26 Applicability of SFIs on Tendering and Contracting to funds held in trust

These instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Foundation Trust's charity and private resources. There may be times when instructions may be waived e.g. when there is an opportunity to purchase an asset of strategic importance / benefit to the Trust.

17. ACCEPTANCE OF GIFTS AND HOSPITALITY BY STAFF

The Chief Finance Officer shall ensure all staff and any other interested and applicable parties are made aware of the Foundation Trust Policy - GP7 Declaration of Interests, Gifts, Hospitality and Outside Employment and the Standards of Business and Personal Conduct. This policy makes due provision to the Bribery Act 2010 and reflects the conflicts of interest guidance issued by NHS England. The policy is deemed to be an integral part of the Foundation Trust's Governance Manual and SFIs.

18. PAYMENTS TO INDEPENDENT CONTRACTORS

The Foundation Trust will approve additions to, and deletions from, approved lists of contractors, taking into account the health needs of the local population, and the access to existing services. All applications and resignations received shall be dealt with equitably, within any time limits laid down in the contractors' NHS terms and conditions of service.

The Chief Executive shall;

- ensure that lists of all contractors, for which the Foundation Trust is responsible, are maintained in an up to date condition; and
- ensure that systems are in place to deal with applications, resignations, inspection of premises, etc, within the appropriate contractor's terms and conditions of service.

The Chief Finance Officer shall:

- ensure that only contractors who are included on the Foundation Trust's approved lists receive payments;
- maintain a system of payments such that all valid contractors' claims are paid promptly and correctly, and are supported by the appropriate documentation and signatures;
- ensure that regular independent verification of claims is undertaken, to confirm that rules have been correctly and consistently applied;
- overpayments are detected (or preferably prevented) and recovery initiated;
- suspicions of possible fraud are identified and subsequently dealt with; and
- ensure that arrangements are in place to identify contractors receiving exceptionally high, low or no payments, and highlight these for further investigation.

19. RETENTION OF DOCUMENTS

19.1 Context

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

19.2 Accountability

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

The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in Department of Health guidance, Records Management Code of Practice.

19.3 Types of Record Covered by the Code of Practice

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

- Patient health records (electronic or paper based);
- Records of private patients seen on NHS premises;
- Accident and emergency, birth and all other registers;
- Theatre registers and minor operations (and other related) registers;

- Administrative records (including e.g. personnel, estates, financial and accounting records, notes associated with complaint-handling);
- X-ray and imaging reports, output and other images;
- Photographs, slides and other images;
- Microform (i.e. fiche / film);
- Audio and video tapes, cassettes, CD-ROM etc.;
- Emails;
- Computerised records;
- Scanned records;
- Text messages (both out-going from the NHS and in-coming responses from the patient).

The documents held in archives shall be capable of retrieval by authorised persons and documents held in accordance with the Records Management Code of Practice shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

20. RISK MANAGEMENT

20.1 Programme of Risk Management

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

- a process for identifying and quantifying risks and potential liabilities;
- engendering among all levels of staff a positive attitude towards the control of risk;
- 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;
- contingency plans to offset the impact of adverse events;
- audit arrangements including; Internal Audit, clinical audit, health and safety review;
- a clear indication of which risks shall be insured;
- arrangements to review the Risk Management programme.

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

20.2 Insurance Arrangements

The Board shall decide if the Foundation Trust will insure through the risk pooling schemes administered by the NHS Resolution, use commercial insurance or self-insure for some or all of the risks to which the Foundation Trust is exposed. A combination of all three may be used. If the Board decides not to use NHS Resolution 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.

In addition, the Board of Directors will need to consider the implications of leaving the NHS Resolution scheme upon its quality profile as determined by NHSI and the CQC.

20.3 Insurance arrangements with commercial insurers

The following areas are not covered by NHS Resolution schemes and therefore need to be covered by commercial insurance or self-insurance:

- Motor vehicles owned by the Foundation Trust including insuring third party liability arising from their use;
- Where the Foundation Trust is involved with a consortium in a Private Finance Initiative (PFI) contract and the other consortium members require that commercial insurance arrangements are entered into; and
- Income generation schemes are not covered by NHS Resolution schemes. If the income generation activity is also an activity normally carried out by the Foundation Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution. In any case of doubt concerning a Foundation Trust's powers to enter into commercial insurance arrangements the Chief Finance Officer should consult the Department of Health.

20.4 Arrangements to be followed by the Board of Directors in agreeing Insurance cover

The Chief Finance Officer shall examine the options with regards to insurance cover and make a recommendation to the Board on which arrangements, or combination of arrangements, represent the best value for money for the Foundation Trust. In coming to their decision the Board will take account of the impact of a major incident / loss on the operation and reputation of the Trust.

Where the Board decides to use commercial insurance the insurance contract will be let subject to the procurement rules set out in these SFIs. The Chief Finance Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case and will maintain records of the policies and insurance certificates in line with the retention of records policy.

DELEGATED FINANCIAL LIMITS - Approved September 2017

| Financial Limits (subject to funding available in budget) | | |
|---|--|---|
| | Value | Delegation |
| 1. Gifts and Hospitality | | |
| Any gifts or hospitality or offers of gifts or hospitality which exceed the £25 threshold must be declared. Low cost branded aids offered by a supplier or contractor should only be accepted if their value does not exceed the industry standard of £6 (as per NHS England guidance) | £25 | Chief Finance Officer |
| 2. Legal / Litigation Claims | | |
| Most claims will be covered by NHSLA, any other litigation claims should be reported to Board via the Quality & Governance Committee | Over £500,000 | Board of Directors |
| | Up to £500,000 | Chief Executive |
| | Up to £100,000 | Chief Finance Officer |
| | Up to £10,000 | Claims Manager |
| 3. Losses, Compensation & Special Payments – All to be reported to the Audit Committee | | |
| This includes losses relating to fruitless payments (including abandoned capital schemes), loss of cash due to theft, fraud, overpayments, damage to buildings, fittings, ex gratia payments, write offs, bad debts and compensation payments | Over £50,000 | Board of Directors |
| | Up to £50,000 | Chief Executive / Chief Finance Officer |
| | Up to £1,000 (Write offs, bad debts and ex gratia payments only) | Deputy Director of Finance |
| 4. Petty Cash Disbursements | | |
| Small incidental items of expenditure | Up to £100 | Budget Holder / Financial Accountant |
| 5. Authorisation of Sponsorship Deals | | |
| A central register of sponsorships will be maintained by the Trust Secretary for reporting to Audit Committee | Above £50,000 | Board of Directors |
| | Up to £50,000 | Chief Executive / Chief Finance Officer |
| | Up to £1,500 | Budget Holder |
| 6. Agency Staff | | |
| Any agency staff, including medical locums, subject to NHSI guidelines. No agency staff can be approved outside of a framework agreement and/or at a rate greater than £120 per hour without the authorisation of the Chief Executive | Over £50,000 | Board of Directors |
| | Up to £50,000 | Chief Executive |
| | Up to £25,000 | Executive Directors |
| | Up to £10,000 | Deputy Directors, Senior Manager On Call |
| | Up to £5,000 | Divisional Managers (no other managers can approve the use of agency) |

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| 7. Management Consultants | | |
| Adherence to SFIs is required for tendering of services | Over £50,000 | Board of Directors |
| | Up to £50,000 | Chief Executive |
| | Up to £10,000 | Director of Finance |
| 8. Capital Expenditure (including IT Equipment) | | |
| The capital programme will be submitted to the Board for overall approval prior to new financial year. In year developments/variations should be approved as limits allow. Capital schemes above £50k require a full business case. A summary business case should be submitted for all schemes under £50k. Templates are available for the Chief Financial Accountant | Over £250,000 | Board of Directors |
| | £100,000 to £250,000 | Finance & Performance Committee |
| | £50,000 to £100,000 | Executive Leadership Team (ELT) |
| | Up to £50,000 | Capital Monitoring Group chaired by Deputy Director of Finance (Held quarterly as detailed with Terms of Reference for Senior Leadership Team) |
| 9. All Other Requisitions | | |
| All pay and non-pay expenditure including software and IT equipment, maintenance contracts, service contracts, management consultants and call off orders. The limit is the total value over the life of the contract. All subject to funding available in budget | Over £250,000 | Board of Directors |
| | Up to £250,000 | Chief Executive |
| | Up to £150,000 | Chief Finance Officer |
| | Up to £100,000 | Executive Directors |
| | Up to £75,000 | Deputy Director of Finance |
| | Up to £50,000 | Other Deputy Directors, Head of Procurement and Head of Estates |
| | Up to £25,000 | Divisional Managers, Chief Financial Accountant and Head of Management Accounts |
| | Up to £15,000 | Deputy Divisional Managers, Business Manager and Financial Accountant |
| | Up to £10,000 | Heads of Service |
| | Up to £5,000 | All other budget holder managers |
| Up to £1,000 | Payments and Treasury Manager | |
| 10. Budget Virement | | |
| In accordance with the SFIs budgets may be vired, however all other budgetary controls will be required to be met | Over £100,000 | Chief Executive |
| | Up to £100,000 | Chief Finance Officer |
| | Up to £50,000 | Other Directors |
| | Up to £25,000 | Deputy Director of Finance and Budget Holder |

| 11. Quotations & Tenders | | |
|--|--|-------------------------------|
| Quotations - Obtain a minimum of 3 written quotations for goods/services | Over £10,000 and up to £50,000 | |
| Tenders - Obtain a minimum of 3 written tenders for goods/services | Over £50,000 (unless a tender waiver is approved by Chief Finance Officer) | In accordance with OJEC rules |
| EU Procurement Thresholds (These are subject to change and should be confirmed by the Head of Procurement) | All figures are net of VAT | |
| Supplies and Services (except R&D and certain telecom services) | £106,047 | In accordance with OJEC rules |
| Part B services (subsided services under Reg 34, R&D and certain telecom services) | £164,176 | |
| Works | £4,104,394 | |